



1 Chapter 391, Section 3) is amended to read:

2 "3- 60A- 3. LEGISLATIVE INTENT. --

3 A. It is the intent of the legislature by the  
4 passage of the Metropolitan Redevelopment Code to authorize  
5 [~~municipalities~~] districts to acquire, own, lease, improve and  
6 dispose of properties in a metropolitan redevelopment area to  
7 the end that such municipalities may be able to promote  
8 industry and develop trade or other economic activity by  
9 inducing profit or nonprofit corporations, federal governmental  
10 offices, hospitals and manufacturing, industrial, commercial or  
11 business enterprises to locate, expand or remain in such area,  
12 to mitigate the serious threat of extensive unemployment in a  
13 metropolitan redevelopment area and to secure and maintain a  
14 balanced and stable economy in an area declared to be a slum or  
15 blighted area.

16 B. It is the further intent of the legislature to  
17 [~~authorize municipalities~~] promote the public health, welfare,  
18 convenience and prosperity by authorizing districts to acquire,  
19 own, lease, improve and dispose of properties so that:

20 (1) adequate medical care, residential housing  
21 and facilities for the disposal of sewage and solid waste may  
22 be provided; [~~and~~]

23 (2) industrial, manufacturing, commercial or  
24 business activities may [~~be begun or expanded~~] begin or expand  
25 in these areas;

1                   (3) [~~furnishing~~] water, energy and gas may be  
2 provided;

3                   (4) [~~more~~] adequate facilities for sports  
4 events and activities and recreation activities, conventions  
5 and trade shows may be provided;

6                   (5) [~~more~~] parking facilities or storage or  
7 training facilities may be provided; and

8                   (6) [~~more~~] adequate research, product-testing  
9 and administrative facilities may be provided [~~all of which~~  
10 ~~promote the public health, welfare, safety, convenience and~~  
11 ~~prosperity~~].

12                   C. It is [~~therefore~~] the [~~intention~~] intent of the  
13 legislature to vest municipalities or districts with all powers  
14 that may be necessary to enable them to accomplish [~~such~~] the  
15 purposes [~~which~~] enumerated in this section, and those powers  
16 shall [~~in all respects~~] be exercised for the benefit of the  
17 inhabitants of this state and municipalities of the state and  
18 of districts for the promotion of their health, safety,  
19 welfare, convenience and prosperity.

20                   D. It is not intended by the Metropolitan  
21 Redevelopment Code to:

22                   (1) authorize any [~~municipality~~] district to  
23 operate any manufacturing, industrial, commercial or business  
24 enterprise or any research, product-testing or administrative  
25 facilities of such enterprise [~~Nor is it the intent of that~~

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1 ~~code to~~]; or

2                   (2) prohibit the operation by a municipality  
3 of residential housing facilities, health care facilities,  
4 sewage or solid waste disposal facilities or the furnishing of  
5 water, sports or recreation facilities, convention or trade  
6 show facilities, airports, public transportation facilities or  
7 operations, parking facilities or storage or training  
8 facilities by [~~any~~] a municipality."

9           Section 2. Section 3-60A-4 NMSA 1978 (being Laws 1979,  
10 Chapter 391, Section 4, as amended) is amended to read:

11           "3-60A-4. DEFINITIONS.--As used in the Metropolitan  
12 Redevelopment Code:

13           A. "public body" means a municipality, board,  
14 commission, authority, district or [~~any~~] other political  
15 subdivision or public body of the state;

16           B. "local governing body" means the city council,  
17 [~~or~~] city commission [~~of a city, the~~] or board of trustees of a  
18 [~~town or village~~] municipality; the council of an incorporated  
19 county; or the board of county commissioners of an H class  
20 county;

21           C. "mayor" means the mayor or the chairman of the  
22 city commission or other officer or body having the duties  
23 customarily imposed on the head of a municipality;

24           D. "municipality" means [~~any~~] an incorporated city,  
25 town or village, whether incorporated under general act,

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1 special act or special charter, an incorporated county or an H  
2 class county;

3 E. "clerk" means the clerk or other official of  
4 ~~[the]~~ a municipality who is the chief custodian of the official  
5 records of the municipality;

6 F. "federal government" includes the United States  
7 of America or ~~[any]~~ an agency or instrumentality, corporate or  
8 otherwise, of the United States;

9 G. "state" means the state of New Mexico;

10 H. "slum area" means an area within the area of  
11 operation in which there are numerous residential or  
12 nonresidential buildings, improvements and structures ~~[whether~~  
13 ~~residential or nonresidential, which, by reason of its~~  
14 ~~dilapidation, deterioration, age, obsolescence]~~ that are  
15 dilapidated, deteriorated, aged or obsolete or that have  
16 inadequate provision for ventilation, light, air or sanitation  
17 or the area lacks open spaces or has a high density of  
18 population or overcrowding or ~~[the existence of]~~ there exists  
19 in the area conditions that endanger life or property by fire  
20 or other causes, and the area is conducive to ill health,  
21 transmission of disease, infant mortality, juvenile delinquency  
22 or crime and is detrimental to the public health, safety,  
23 morals or welfare;

24 I. "blighted area" means an area within the area of  
25 operation other than a slum area that ~~[because of the presence~~

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1 ~~of a substantial number of deteriorated or deteriorating~~  
2 ~~structures, predominance of defective or inadequate street~~  
3 ~~layout, faulty lot layout in relation to size, adequacy,~~  
4 ~~accessibility or usefulness, insanitary or unsafe conditions,~~  
5 ~~deterioration of site or other improvements, diversity of~~  
6 ~~ownership, tax or special assessment delinquency exceeding the~~  
7 ~~fair value of the land, defective or unusual conditions of~~  
8 ~~title, improper subdivision or lack of adequate housing~~  
9 ~~facilities in the area or obsolete or impractical planning and~~  
10 ~~platting or an area where a significant number of commercial or~~  
11 ~~mercantile businesses have closed or significantly reduced~~  
12 ~~their operations due to the economic losses or loss of profit~~  
13 ~~due to operating in the area, low levels of commercial or~~  
14 ~~industrial activity or redevelopment or any combination of such~~  
15 ~~factors] substantially impairs or arrests the sound growth and~~  
16 ~~economic health and well-being of a municipality or locale~~  
17 ~~within a municipality or an area that retards the provisions of~~  
18 ~~housing accommodations or constitutes an economic or social~~  
19 ~~burden and is a menace to the public health, safety, morals or~~  
20 ~~welfare in its present condition and use because of the~~  
21 ~~presence of a substantial number of deteriorated or~~  
22 ~~deteriorating structures; predominance of defective or~~  
23 ~~inadequate street layout; faulty lot layout in relation to~~  
24 ~~size, adequacy, accessibility or usefulness; insanitary or~~  
25 ~~unsafe conditions; deterioration of site or other improvements;~~

1 diversity of ownership; tax or special assessment delinquency  
 2 exceeding the fair value of the land; defective or unusual  
 3 conditions of title; improper subdivision; lack of adequate  
 4 housing facilities in the area; or obsolete or impractical  
 5 planning and platting or an area where a significant number of  
 6 commercial or mercantile businesses have closed or  
 7 significantly reduced their operations due to the economic  
 8 losses or loss of profit due to operating in the area, low  
 9 levels of commercial or industrial activity or redevelopment or  
 10 any combination of such factors;

11 J. "metropolitan redevelopment project" or  
 12 "project" means an activity, undertaking or series of  
 13 activities or undertakings designed to eliminate slums or  
 14 blighted areas in areas designated as metropolitan  
 15 redevelopment areas and ~~[that]~~ the activity or undertaking  
 16 conforms to an approved plan for the area for slum clearance  
 17 and redevelopment, rehabilitation and conservation;

18 K. "slum clearance and redevelopment" means the use  
 19 of those powers authorized by the Metropolitan Redevelopment  
 20 Code ~~[for the purpose of eliminating]~~ to eliminate slum areas  
 21 and ~~[undertaking]~~ undertake activities authorized by the  
 22 Metropolitan Redevelopment Code to rejuvenate or revitalize  
 23 those areas so that the conditions that caused those areas to  
 24 be designated slum areas are eliminated;

25 L. "rehabilitation" or "conservation" means the

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1 restoration and renewal of a slum or blighted area or portion  
2 thereof in accordance with ~~[any]~~ an approved plan by use of  
3 powers granted by the Metropolitan Redevelopment Code;

4 M "metropolitan redevelopment area" means a slum  
5 area or a blighted area or a combination thereof that ~~[the]~~ a  
6 local governing body ~~[so finds and declares and]~~ designates as  
7 appropriate for a metropolitan redevelopment project;

8 N. "metropolitan redevelopment plan" means a plan  
9 ~~[as it exists from time to time]~~ for one or more metropolitan  
10 redevelopment areas or for a metropolitan redevelopment project  
11 ~~[which plan shall]~~ that:

12 (1) ~~[seek]~~ seeks to eliminate the problems  
13 created by a slum area or blighted area;

14 (2) ~~[conform]~~ conforms to the general plan for  
15 the municipality as a whole; and

16 (3) ~~[be]~~ is sufficient to indicate:

17 (a) the proposed activities to be  
18 carried out in the area, including ~~[but not limited to]~~ any  
19 proposals for land acquisition; ~~[proposals for]~~ demolition and  
20 removal of structures; redevelopment; ~~[proposals for]~~  
21 improvements, rehabilitation and conservation; zoning and  
22 planning changes; land uses, maximum densities, building  
23 restrictions and requirements; and

24 (b) the plan's relationship to definite  
25 local objectives respecting land uses, improved traffic

1 patterns and controls, public transportation, public utilities,  
 2 recreational and community facilities, housing facilities,  
 3 commercial activities or enterprises, industrial or  
 4 manufacturing use and other public improvements;

5 0. "real property" includes all lands, including  
 6 improvements and fixtures ~~[thereon]~~ on those lands, and  
 7 property of any nature appurtenant ~~[thereto]~~ to or used in  
 8 connection ~~[therewith]~~ with those lands and every estate,  
 9 interest, legal or equitable right ~~[and]~~ or use, ~~[legal or~~  
 10 ~~equitable, therein]~~ including terms for years and liens by way  
 11 of judgment, mortgage or otherwise;

12 P. "bonds" means any bonds, including refunding  
 13 bonds, notes, interim certificates, certification of  
 14 indebtedness, debentures ~~[metropolitan redevelopment bonds]~~ or  
 15 other securities evidencing an obligation and issued under the  
 16 provisions of the Metropolitan Redevelopment Code or other  
 17 obligations;

18 Q. "obligee" includes ~~[any]~~ a bondholder, agent or  
 19 trustee for ~~[any]~~ a bondholder or lessor demising to the  
 20 municipality or district property used in connection with a  
 21 metropolitan redevelopment project or ~~[any]~~ an assignee ~~[or~~  
 22 ~~assignees]~~ of ~~[such]~~ a lessor's interest or any part thereof;

23 R. "person" means ~~[any]~~ an individual, firm,  
 24 partnership, corporation, company, association, joint stock  
 25 association or body politic or the state or any political

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1 subdivision thereof and [~~shall further include~~] includes any  
2 trustee, receiver, assignee or other person acting in a similar  
3 representative capacity;

4 S. "area of operation" means the area within the  
5 [~~corporate~~] limits of [~~the municipality~~] a district and the  
6 area outside of [~~the corporate~~] those limits but within five  
7 miles of such limits or otherwise on [~~municipally~~] district-  
8 owned property wherever located, except that it shall not  
9 include [~~any~~] an area that lies within the territorial  
10 boundaries of another municipality unless an ordinance has been  
11 adopted by the governing body of the other municipality  
12 declaring a need therefor;

13 T. "board" or "commission" means a board,  
14 commission, department, division, office, body or other unit of  
15 the municipality designated by the local governing body to  
16 perform functions authorized by the Metropolitan Redevelopment  
17 Code as directed by the local governing body; [~~and~~]

18 U. "public [~~officer~~] official" means [~~any~~] a person  
19 who is in charge of [~~any~~] a department or branch of government  
20 of [~~the~~] a municipality;

21 V. "district" means a tax increment financing  
22 district formed pursuant to the Metropolitan Redevelopment  
23 Code;

24 W. "district board" means the board of directors of  
25 a district;

1                   X. "tax increment bonds" means revenue bonds issued  
 2 by a district pursuant to the Metropolitan Redevelopment Code  
 3 to finance a metropolitan redevelopment project;

4                   Y. "qualified elector" means any person who is  
 5 qualified to vote under the provisions of the constitution of  
 6 New Mexico and the United States constitution; and

7                   Z. "voter" means any qualified elector who is  
 8 registered under the provisions of the Election Code. "

9                   Section 3. Section 3-60A-8 NMSA 1978 (being Laws 1979,  
 10 Chapter 391, Section 8) is amended to read:

11                   "3-60A-8. DESIGNATION OF A METROPOLITAN REDEVELOPMENT  
 12 AREA. --

13                   A. A municipality shall [~~not~~] prepare a  
 14 metropolitan redevelopment plan for an area [~~unless~~] if the  
 15 governing body has, by resolution, determined the area to be a  
 16 slum area or a blighted area or a combination thereof and  
 17 designated the area as appropriate for a metropolitan  
 18 redevelopment project [~~which~~]. That resolution may be adopted  
 19 only after the governing body [~~shall have~~] has caused to be  
 20 published in a newspaper of general circulation within the area  
 21 of operation of the municipality a notice [~~which shall contain~~]  
 22 that contains a general description of the area and the date,  
 23 time and place where the governing body shall hold a public  
 24 hearing to consider the resolution and a notice that any  
 25 interested party may appear and speak to the issue of the

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1 adoption of the resolution.

2 B. [~~Such~~] Notice shall be published at least twice,  
3 and the last publication shall be not less than twenty days  
4 before the hearing. The owner of any real property affected by  
5 the resolution [~~shall have~~] has the right to file in the  
6 district court of the county within which the municipality is  
7 located, within twenty days after the adoption of the  
8 resolution, an action to set aside the determination ~~made~~ by  
9 the governing body of the municipality.

10 [~~C. A municipality shall not acquire real property~~  
11 ~~for a metropolitan redevelopment project unless the local~~  
12 ~~governing body has approved a metropolitan redevelopment plan~~  
13 ~~relating to the metropolitan redevelopment area in which the~~  
14 ~~real property is located.]"~~

15 Section 4. Section 3-60A-10 NMSA 1978 (being Laws 1979,  
16 Chapter 391, Section 10) is amended to read:

17 "3-60A-10. POWERS OF [~~MUNICIPALITY~~] MUNICIPALITIES AND  
18 DISTRICTS. --

19 A. Every [~~municipality~~] district shall have all the  
20 powers necessary or convenient to carry out and effectuate the  
21 purposes and provisions of the Metropolitan Redevelopment Code,  
22 including but not necessarily limited to the following powers:

23 [~~A.~~] (1) to undertake and carry out  
24 metropolitan redevelopment projects within its area of  
25 operation, including clearance and redevelopment,

1 rehabilitation, conservation and development activities and  
 2 programs; to make, enter into and execute contracts and other  
 3 agreements and instruments necessary or convenient to the  
 4 exercise of its powers under the Metropolitan Redevelopment  
 5 ~~[Law]~~ Code; and to disseminate information regarding slum  
 6 clearance, prevention of blight and the metropolitan  
 7 redevelopment projects and areas;

8 ~~[B.-]~~ (2) to provide, arrange or contract for  
 9 the furnishing or repair by any public or private person or  
 10 agency for services, privileges, works, streets, roads, public  
 11 utilities, public buildings or other facilities for or in  
 12 connection with a metropolitan redevelopment project;

13 (3) to, within its area of operation, install,  
 14 acquire, construct, reconstruct, remodel, rehabilitate,  
 15 maintain and operate streets, utilities, parks, buildings,  
 16 playgrounds and public buildings, including but not limited to  
 17 parking facilities, transportation centers, public safety  
 18 buildings and other public improvements or facilities or  
 19 improvements for public purposes, as may be required ~~[by the~~  
 20 ~~municipality, the state or a political subdivision of the~~  
 21 ~~state]~~;

22 (4) to agree to any conditions that it may  
 23 deem reasonable and appropriate ~~[which]~~ that are attached to  
 24 federal financial assistance and imposed pursuant to federal  
 25 law, including conditions relating to the determination of

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1 prevailing salaries or wages or compliance with federal and  
2 state labor standards, compliance with federal property  
3 acquisition policy and the provision of relocation assistance  
4 in accordance with federal law in the undertaking or carrying  
5 out of a metropolitan redevelopment project; and to include in  
6 any contract let in connection with the project provisions to  
7 fulfill any of these conditions as it may deem reasonable and  
8 appropriate; provided [~~however~~] that all purchases of personal  
9 property shall be in accordance with the [~~Public Purchases Act~~]  
10 Procurement Code;

11 [~~C-~~] (5) within its area of operation, to  
12 inspect any building or property in any metropolitan  
13 redevelopment area in order to make surveys, appraisals,  
14 soundings or test borings and to obtain an order for this  
15 purpose from a court of competent jurisdiction in the event  
16 inspection is denied by the property owner or occupant to  
17 acquire, by purchase, lease, option, gift, grant, bequest,  
18 devise, eminent domain or otherwise, any real property or  
19 personal property for its administrative or project purposes,  
20 together with any improvements thereon and to hold, improve,  
21 clear or prepare for redevelopment any such property;

22 (6) to mortgage, pledge, hypothecate or  
23 otherwise encumber or dispose of any real property;

24 (7) to insure or provide for the insurance of  
25 any real or personal property or operations of the municipality

1 against any risks or hazards, including the power to pay  
 2 premiums on any such insurance; [~~and~~]

3 (8) to enter into any contracts necessary to  
 4 effectuate the purposes of the Metropolitan Redevelopment Code;

5 [~~D.-~~] (9) to invest any metropolitan  
 6 redevelopment project funds held in reserve, sinking funds or  
 7 other project funds which are not required for immediate  
 8 disbursement in property or securities in which municipalities  
 9 may legally invest funds subject to their control; to redeem  
 10 bonds [~~as have been~~] issued pursuant to the Metropolitan  
 11 Redevelopment Code at the redemption price established  
 12 [~~therein~~] in the bonds or to purchase the bonds at less than  
 13 redemption price [~~and~~]; provided that bonds so redeemed or  
 14 purchased shall be canceled; and

15 [~~E.-~~] (10) to borrow or lend money [~~subject to~~  
 16 ~~those procedures and limitations as may be provided in the~~  
 17 ~~constitution of New Mexico or the Municipal Code~~] and to apply  
 18 for and accept advances, loans, grants, contributions and any  
 19 other form of financial assistance from the federal government,  
 20 the state, the county or municipality in which the district  
 21 lies or other public body or from any sources, public or  
 22 private, for the purposes of the Metropolitan Redevelopment  
 23 Code; and to give security as may be required and subject to  
 24 the provisions and limitations of general law except as may  
 25 otherwise be provided by the Metropolitan Redevelopment [~~Law~~]

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1 Code and to enter into and carry out contracts in connection  
2 therewith. A [~~municipality~~] district may include in any  
3 contract for financial assistance with the federal government  
4 for a metropolitan redevelopment project conditions imposed  
5 pursuant to federal law [~~which~~] that the [~~municipality~~]  
6 district may deem reasonable or appropriate and [~~which~~] that  
7 are not inconsistent with the purposes of the Metropolitan  
8 Redevelopment Code.

9 [F. ~~within its area of operation, to~~] B. A  
10 municipality is authorized to:

11 (1) make all plans necessary for the carrying  
12 out of the purposes of the Metropolitan Redevelopment Code and  
13 to contract with any person, public or private, in making and  
14 carrying out such plans and to adopt or approve, modify and  
15 amend the plans [~~The plans~~], which may include: [~~without~~  
16 ~~limitation~~

17 (1) (a) a general plan for  
18 redevelopment of the metropolitan area as a whole;

19 (2) (b) redevelopment plans for  
20 specific areas;

21 (3) (c) plans for programs of  
22 voluntary or assisted repair and rehabilitation of buildings  
23 and improvements;

24 (4) (d) plans for the enforcement of  
25 state and local laws, codes and regulations relating to the use

1 of land and the use and occupancy of buildings and improvements  
 2 and to the compulsory repair, rehabilitation, demolition or  
 3 removal of buildings and improvements; and

4 ~~[(5)]~~ (e) appraisals, title searches,  
 5 surveys, studies and other preliminary plans and work necessary  
 6 to prepare for the undertaking of metropolitan redevelopment  
 7 projects;

8 (2) ~~[The municipality is authorized to]~~  
 9 develop, test and report methods and techniques and carry out  
 10 demonstrations and other activities for the prevention and  
 11 elimination of slums and urban blight and to pay for, accept  
 12 and utilize grants of funds from the federal government for  
 13 such purposes;

14 ~~[G. to]~~ (3) prepare plans for the relocation  
 15 of families displaced from a metropolitan redevelopment area to  
 16 the extent essential for acquiring possession of and clearing  
 17 the area or its parts or permit the carrying out of the  
 18 metropolitan redevelopment project;

19 ~~[H. to]~~ (4) appropriate under existing  
 20 authority the funds and make expenditures necessary to carry  
 21 out the purposes of the Metropolitan Redevelopment Code ~~[and~~  
 22 ~~under existing authority to levy taxes and assessments for such~~  
 23 ~~purposes]~~; to close, vacate, plan or replan streets, roads,  
 24 sidewalks, ways or other places; in accordance with applicable  
 25 law or ordinances, to plan or replan, zone or rezone any part

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1 of the municipality or make exceptions from building  
2 regulations; and

3 ~~[to]~~ (5) enter into ~~[agreements]~~ an agreement  
4 with a metropolitan redevelopment agency vested with  
5 metropolitan redevelopment project powers, which agreements may  
6 extend over any period, notwithstanding any provision or rule  
7 of law to the contrary, respecting action to be taken by such  
8 municipality pursuant to any of the powers granted by the  
9 Metropolitan Redevelopment [Law] Code.

10 ~~[I. within its area of operation, to organize,~~  
11 ~~coordinate and direct the administration of the provisions of~~  
12 ~~the Redevelopment Law as they apply to the municipality in~~  
13 ~~order that the objective of remedying slum areas and blighted~~  
14 ~~areas and preventing the causes of same within the municipality~~  
15 ~~may be most effectively promoted and achieved and to establish~~  
16 ~~any new office or offices of the municipality or to reorganize~~  
17 ~~existing offices as necessary;~~

18 ~~J. to]~~ C. A district is authorized to:

19 (1) acquire real property ~~[in addition to~~  
20 ~~power elsewhere conferred herein]~~, which is appropriate for the  
21 preservation or restoration of historic sites; the  
22 beautification of urban land; the conservation of open spaces,  
23 natural resources and scenic areas; the provision of  
24 recreational opportunities; or is to be used for public  
25 purposes; and

1                    [~~K.—to~~] (2) engage in any or all of the  
 2 following activities as part of a metropolitan redevelopment  
 3 project:

4                    [~~(1)~~] (a) acquisition, construction,  
 5 reconstruction or installation of public works, facilities and  
 6 site or other improvements, including but not limited to  
 7 neighborhood facilities, senior citizen centers, historic  
 8 properties, utilities, streets, street lights, water and sewer  
 9 facilities, including connections for residential users,  
 10 foundations and platforms for air-rights sites, pedestrian  
 11 malls and walkways, parks, playgrounds and other recreation  
 12 facilities, flood and drainage facilities, parking facilities,  
 13 solid waste disposal facilities and fire protection or health  
 14 facilities [~~which~~] that serve designated areas;

15                    [~~(2)~~] (b) special projects directed to  
 16 the removal of materials and architectural barriers [~~which~~]  
 17 that restrict the mobility and accessibility of elderly and  
 18 handicapped persons;

19                    [~~(3)~~] (c) provision of public services  
 20 in [~~the~~] a metropolitan redevelopment area [~~which~~] within the  
 21 district that are not otherwise available in the area,  
 22 including but not limited to the provisions of public services  
 23 directed to the employment, economic development, crime  
 24 prevention, child care, health, drug abuse, welfare or  
 25 recreation needs of the people who reside in the metropolitan

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1 redevelopment area;

2                                    ~~[(4)]~~ (d) payment of the nonfederal  
3 share of any federal grant-in-aid program to ~~[the]~~ a  
4 municipality in which ~~[will be a part of]~~ a metropolitan  
5 redevelopment project is located;

6                                    ~~[(5)]~~ (e) if federal funds are used in  
7 the project, to provide for payment of relocation costs and  
8 assistance to individuals, families, businesses, organizations  
9 and farm operations displaced as a direct result of a  
10 metropolitan redevelopment project in accordance with  
11 applicable law governing such payment;

12                                    ~~[(6)]~~ (f) payment of reasonable  
13 administrative costs and carrying charges related to the  
14 planning and execution of plans and projects;

15                                    ~~[(7)]~~ (g) economic and marketing studies  
16 to determine the economic condition of an area and to determine  
17 the viability of certain economic ventures proposed for the  
18 metropolitan redevelopment area; and

19                                    ~~[(8)]~~ (h) issuance of tax increment  
20 bonds ~~[grants or loans as authorized by]~~ in accordance with the  
21 Metropolitan Redevelopment Code. ~~[in accordance with the~~  
22 ~~requirements of that code; and~~

23                                    ~~(9)~~ ~~grants to nonprofit corporations, local~~  
24 ~~development corporations or entities organized under Section~~  
25 ~~301 (d) of the Small Business Investment Act of 1958 for the~~

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1 ~~purposes of carrying out the provisions of the Metropolitan~~  
 2 ~~Redevelopment Code;~~

3 ~~E. provided that all]~~ D. Payments made by the  
 4 [~~municipality or, metropolitan redevelopment agency]~~ district  
 5 under the terms of a contract for reconstruction or  
 6 rehabilitation of private property shall be made from a special  
 7 fund created for that purpose and shall not be paid directly to  
 8 [~~such]~~ the property owner but shall instead be paid to the  
 9 contractor by the [~~municipality, or agency]~~ district from such  
 10 fund upon proper authorization of the property owner and  
 11 notification that the terms of the contract have been  
 12 fulfilled. [~~However]~~ All such rehabilitation contracts shall  
 13 be between the property owner and the contractor after a sealed  
 14 bidding procedure and award of contract approved by the  
 15 [~~municipality]~~ district has taken place.

16 [~~M the municipality]~~ E. A district is empowered  
 17 in a metropolitan redevelopment project, rehabilitation or  
 18 conservation undertaking or activity to exercise the following  
 19 powers in one or more metropolitan redevelopment areas to  
 20 include the elimination and prevention of the development or  
 21 spread of slums or blight and may involve slum clearance and  
 22 redevelopment in any such area or rehabilitation or  
 23 conservation in any such area or any combination or part  
 24 thereof in accordance with a metropolitan redevelopment area  
 25 plan and for undertakings or activities of a [~~municipality]~~

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1 district in any metropolitan redevelopment area to eliminate  
2 the conditions [~~which~~] that caused an area to be designated  
3 such an area and may include any or all of the following:

4 (1) acquisition of real property within the  
5 metropolitan redevelopment area pursuant to any powers and for  
6 purposes enumerated in the Metropolitan Redevelopment Code;

7 (2) clearing the land, grading the land and  
8 replatting the land in accordance with the metropolitan  
9 redevelopment plan adopted by the governing body of the  
10 municipality in which the district lies; installation,  
11 construction or reconstruction of roads, streets, gutters,  
12 sidewalks, storm drainage facilities, water lines or water  
13 supply installations, sewer lines and sewage disposal  
14 installations, steam, gas and electric lines and installations,  
15 airport facilities and construction of any other needed public  
16 facilities or buildings whether on or off the site if deemed  
17 necessary by the [~~local governing body~~] district board to  
18 prepare the land in the metropolitan redevelopment area for  
19 residential, commercial, industrial and public use in  
20 accordance with the metropolitan redevelopment plan; and

21 (3) making the land available for development  
22 by private enterprise or public agencies, including sale,  
23 initial leasing, leasing or retention by the [~~municipality~~]  
24 district itself, at its fair market value for uses in  
25 accordance with the metropolitan redevelopment plan for the

1 area.

2 ~~[N. the municipality]~~ F. A district is empowered  
3 in a metropolitan redevelopment area to undertake slum  
4 clearance and redevelopment ~~[which]~~ that includes:

5 (1) acquisition of a slum area or a blighted  
6 area or portion ~~[thereof]~~ of that area;

7 (2) demolition and removal of buildings and  
8 improvements;

9 (3) installation, construction,  
10 reconstruction, maintenance and operation of streets,  
11 utilities, storm drainage facilities, curbs and gutters, parks,  
12 playgrounds, single- or multi-family dwelling units, buildings,  
13 public buildings, including but not limited to parking  
14 facilities, transportation centers, safety buildings and other  
15 improvements, necessary for carrying out in the area the  
16 provisions of an approved plan for the area; and

17 (4) making the real property available for  
18 development or redevelopment by private enterprise or public  
19 agencies, including sale, leasing or retention by the  
20 ~~municipality~~ or district itself, ~~[as]~~ at its fair value for  
21 uses in accordance with the metropolitan redevelopment area  
22 plan. ~~[and~~

23 ~~0. the municipality]~~ G. A district is empowered to  
24 engage in rehabilitation or conservation ~~[which]~~ that includes  
25 the restoration and renewal of a slum or blighted area or

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1 portion thereof in accordance with any approved plan, by:

2 (1) carrying out plans for a program of  
3 voluntary or compulsory repair and rehabilitation of buildings  
4 or other improvements;

5 (2) acquisition of real property and  
6 demolition or removal of buildings and improvements thereon  
7 where necessary to eliminate unhealthful, [~~unsanitary~~]  
8 insanitary or unsafe conditions, lessen or increase density,  
9 eliminate obsolete or other uses detrimental to the public  
10 welfare or to otherwise remove or prevent the spread of blight  
11 or deterioration or to provide land for needed public  
12 facilities;

13 (3) installation, construction or  
14 reconstruction of streets, utilities, parks, playgrounds and  
15 other improvements necessary for carrying out in the area the  
16 provisions of the Metropolitan Redevelopment Code;

17 (4) the disposition of any property acquired  
18 in such an area, including sale, leasing or retention by the  
19 municipality itself, for uses in accordance with such an  
20 approved plan;

21 (5) acquisition of real property in the area  
22 which, under a metropolitan redevelopment plan, is to be  
23 repaired or rehabilitated;

24 (6) repair or rehabilitation of structures  
25 within [~~the~~] a metropolitan redevelopment area;

1 (7) power to resell repaired or rehabilitated  
2 property;

3 (8) acquisition, without regard to any  
4 requirement that the area be a slum or blighted area, of air-  
5 rights in an area consisting principally of land on which is  
6 located a highway, railway, bridge or subway tracks or tunnel  
7 entrance or other similar facilities [~~which~~] that have a  
8 blighting influence on the surrounding area and over which air-  
9 rights sites are to be developed for the elimination of such  
10 blighting influences; and

11 (9) with respect to a district, making loans  
12 or grants or authorizing the use of the proceeds of tax  
13 increment bonds issued pursuant to the Metropolitan  
14 Redevelopment Code for the purpose of repairing, remodeling,  
15 modifying or otherwise reconstructing a building [~~or buildings~~]  
16 located in the metropolitan redevelopment area. Such  
17 rehabilitation or conservation with use of funds expended by  
18 authority of the Metropolitan Redevelopment Code or by  
19 [~~metropolitan revenue~~] tax increment bonds authorized by that  
20 code shall be authorized only after the approval [~~by the local~~  
21 ~~governing body~~] of the voters and property owners in the  
22 district proposed to issue tax increment bonds and after it has  
23 been determined that such expenditure is in accordance with the  
24 metropolitan redevelopment plan for that area. "

25 Section 5. Section 3-60A-12 NMSA 1978 (being Laws 1979,  
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1 Chapter 391, Section 12) is amended to read:

2 "3-60A-12. DISPOSAL OF PROPERTY.--

3 A. A [~~municipality~~] district may sell, lease or  
4 otherwise transfer real property or any interest [~~therein~~] in  
5 real property acquired by it in a metropolitan redevelopment  
6 area and may enter into contracts with respect [~~thereto~~] to the  
7 real property for residential, commercial, industrial or other  
8 uses or for public use or may retain such property or interest  
9 for public use in accordance with the metropolitan  
10 redevelopment plan, subject to any covenants, conditions and  
11 restrictions, including covenants running with the land and  
12 including the incorporation by reference [~~therein~~] in the  
13 covenants of the provisions of a metropolitan redevelopment  
14 plan or any part thereof, as it may deem to be in the public  
15 interest or necessary to carry out the purposes of the  
16 metropolitan redevelopment plan. The purchasers or lessees and  
17 their successors and assigns shall be obligated to devote the  
18 real property only to the uses specified in the metropolitan  
19 redevelopment plan for a period of years as set out in the sale  
20 or lease agreement and may be obligated to comply with other  
21 requirements [~~which~~] that the municipality or district board  
22 may determine to be in the public interest, including the  
23 obligation to begin within a reasonable time any improvements  
24 on real property required by the metropolitan redevelopment  
25 plan. The real property or interest shall be sold, leased,

underscored material = new  
[bracketed material] = delete

1 otherwise transferred or retained at not less than its fair  
2 value for uses in accordance with the Metropolitan  
3 Redevelopment [Law] Code as determined by the governing body of  
4 the ~~municipality~~, by the district or by the metropolitan  
5 redevelopment agency, if so authorized. In determining the  
6 fair value of real property for uses in accordance with the  
7 metropolitan redevelopment plan, a [~~municipality~~] district  
8 shall take into account and give consideration to the uses  
9 provided in the plan, the restrictions upon and the covenants,  
10 conditions and obligations assumed by the purchaser or lessee  
11 or by the [~~municipality~~] district retaining the property and  
12 the objectives of the plan for the prevention of and recurrence  
13 of slum or blighted areas. The [~~municipality~~] district in any  
14 instrument of conveyance to a private purchaser or lessee may  
15 provide that the purchaser or lessee shall be without power to  
16 sell, lease or otherwise transfer the real property without the  
17 prior written consent of the municipality until he has  
18 completed the construction of any and all improvements [~~which~~]  
19 that he has obligated himself to construct [~~thereon~~] on the  
20 real property. Real property acquired by a [~~municipality~~  
21 ~~which~~] district that, in accordance with the provisions of the  
22 metropolitan redevelopment plan, is to be transferred shall be  
23 transferred consistent with the carrying out of the provisions  
24 of the plan. The inclusion in any contract or conveyance to a  
25 purchaser or lessee of covenants, restrictions or conditions,

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1 including the incorporation by reference [~~therein~~] in the  
2 covenants of the provisions of a metropolitan redevelopment  
3 plan or any part thereof, shall not prevent the filing of the  
4 contract or conveyance in the land records of the county in a  
5 manner as to afford actual or constructive notice thereof.

6 B. A [~~municipality~~] district may dispose of real  
7 property in a metropolitan redevelopment area to private  
8 persons only in accordance with the procedures set out in this  
9 subsection. The [~~municipality~~] district shall, prior to  
10 entering into any agreement to convey title or an interest in  
11 real property, publish a public notice once each week for at  
12 least two consecutive weeks of the date, time and place it will  
13 receive proposals for the purchase, lease or rental, for  
14 development or redevelopment purposes, of the real property or  
15 interest [~~therein~~] in the real property it intends to dispose  
16 of. The public notice shall contain sufficient information to  
17 describe the location of the real property, the type of  
18 development sought or land use requirement and the selection  
19 criteria the [~~municipality~~] district will follow during review  
20 of proposals and shall state that details may be obtained at  
21 the office designated in the notice. The [~~municipality~~]  
22 district board shall consider all proposals submitted in  
23 accordance with the public notice and shall only accept  
24 proposals it deems in the public interest and meeting the  
25 objectives of the metropolitan redevelopment plan after

1 considering the type of development, redevelopment or use  
 2 proposed and the financial ability of the persons making [~~such~~]  
 3 the proposals to carry them out.

4 C. If after following the procedures set out in  
 5 Subsection B of this section a [~~municipality~~] district receives  
 6 no proposals or determines the [~~ones~~] proposals received are  
 7 not in accordance with the call for proposals or do not meet  
 8 the objectives of the Metropolitan Redevelopment Code, the  
 9 municipality or district may reject any proposals received and  
 10 then dispose of [~~such~~] the real property through reasonable  
 11 negotiating procedures; provided, however, that negotiated  
 12 sales, leases or transfers must be reported to the local  
 13 governing body of the municipality in which the district lies  
 14 and approved by [~~that~~] the local governing body before [~~such~~]  
 15 the sale, lease or transfer may take effect.

16 D. A [~~municipality~~] district may operate and  
 17 maintain real property acquired in a metropolitan redevelopment  
 18 area pending the disposition of the property for development or  
 19 redevelopment without regard to the provisions of Subsection A  
 20 of this section for any uses and purposes deemed desirable even  
 21 though not in conformity with the Redevelopment Law. "

22 Section 6. Section 3-60A-13 NMSA 1978 (being Laws 1979,  
 23 Chapter 391, Section 13, as amended) is amended to read:

24 "3-60A-13. PROPERTY EXEMPT FROM TAXES AND FROM LEVY AND  
 25 SALE BY VIRTUE OF AN EXECUTION. --

underscored material = new  
 [bracketed material] = delete

1           A. All property of a [~~muni~~-~~ci~~-~~pa~~-~~li~~-~~ty~~] district,  
2 including funds, owned or held in fee simple by it for the  
3 purposes of the Metropolitan Redevelopment Code shall be exempt  
4 from levy and sale by virtue of an execution, and no execution  
5 or other judicial process shall issue against the property nor  
6 shall judgment against a municipality or district be a charge  
7 or lien upon the property; provided, however, that the  
8 provisions of this section shall not apply to or limit the  
9 right of obligees to pursue any remedies for the enforcement of  
10 any pledge or lien given pursuant to the Metropolitan  
11 Redevelopment [Law] Code by a [~~muni~~-~~ci~~-~~pa~~-~~li~~-~~ty~~] district on its  
12 rents, fees, grants, land or revenues from projects.

13           B. The property of a [~~muni~~-~~ci~~-~~pa~~-~~li~~-~~ty~~] district  
14 acquired or held for the purposes of the Metropolitan  
15 Redevelopment Code is declared to be public property used for  
16 essential public and governmental purposes, and the property  
17 shall be exempt from property taxes or assessments of the  
18 municipality, the county, the state or any political  
19 subdivision thereof; provided that the exemption shall  
20 terminate when the municipality or district transfers its fee  
21 simple interest in the property to a purchaser that is not  
22 entitled to the exemption with respect to the property.  
23 [~~Nothing in~~] This subsection [~~authorizes~~] does not authorize an  
24 exemption or deduction from the imposition of the gross  
25 receipts and compensating taxes under the Gross Receipts and

underscoring material = new  
[bracketed material] = delete

1 Compensating Tax Act on the gross receipts from the sale of  
 2 property to or the use of property by a [~~municipality~~] district  
 3 or any other person in connection with a metropolitan  
 4 redevelopment project created under the Metropolitan  
 5 Redevelopment Code. "

6 Section 7. Section 3-60A-13.1 NMSA 1978 (being Laws  
 7 1985, Chapter 225, Section 2) is amended to read:

8 "3-60A-13.1. PAYMENTS IN LIEU OF PROPERTY TAXES AND  
 9 ASSESSMENTS. --

10 A. If interests in project property are exempt from  
 11 property taxation and assessments under Subsection B of Section  
 12 3-60A-13 NMSA 1978 or Section 7-36-3.1 NMSA 1978, then during  
 13 the period extending from the date of acquisition of the  
 14 property by the municipality or district through December 31 of  
 15 the year in which the seventh anniversary of that acquisition  
 16 date occurs, any lessee of the project property or owner of a  
 17 substantial beneficial interest in the project property, in  
 18 whose ownership the property would not be exempt from property  
 19 taxation except for the exemption granted under Section  
 20 7-36-3.1 NMSA 1978, shall pay to the county treasurer annually,  
 21 at the same time property tax payments are due under the  
 22 Property Tax Code, an amount equal to the sum of:

23 (1) general property taxes that would have  
 24 been imposed under Subsection B of Section 7-37-7 NMSA 1978 had  
 25 it not been exempt and had it been valued at the valuation for  
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1 property taxation purposes that existed in the year immediately  
2 preceding the year of acquisition by the [municipality]  
3 district;

4 (2) amounts that would have been imposed under  
5 Subsection C of Section 7-37-7 NMSA 1978 on the project  
6 property had it not been exempt and had it been valued at the  
7 valuation for property taxation purposes that existed in the  
8 year immediately preceding the year of acquisition by the  
9 [municipality] district; and

10 (3) amounts that would have been imposed as  
11 benefit assessments on the project property had it not been  
12 exempt and had it been valued at the valuation for property  
13 taxation purposes that existed in the year immediately  
14 preceding the year of acquisition by the [municipality]  
15 district if those benefit assessments are authorized by law and  
16 are expressed in mills per dollar or dollars per thousand  
17 dollars of net taxable value of property, assessed value of  
18 property or similar terms.

19 B. The county treasurer shall distribute all  
20 amounts collected under Subsection A of this section in the  
21 same manner as the amounts would have been distributed if they  
22 had been collected as taxes or assessments on nonexempt  
23 property.

24 ~~[C. The provisions of this section shall apply only~~  
25 ~~to project property acquired by a municipality under the~~

1 ~~provisions of the Metropolitan Redevelopment Code on or after~~  
 2 ~~January 1, 1986.] "~~

3 Section 8. Section 3-60A-15 NMSA 1978 (being Laws 1979,  
 4 Chapter 391, Section 15) is amended to read:

5 "3-60A-15. EXERCISE OF POWERS IN CARRYING OUT  
 6 PROJECTS. -- ~~[A. The]~~ A local governing body or a district board  
 7 may directly exercise [its metropolitan redevelopment project]  
 8 powers [or it] obtained pursuant to the Metropolitan  
 9 Redevelopment Code. A local governing body may, by ordinance  
 10 if it determines such action to be in the public interest,  
 11 elect to delegate the exercise of such powers to the  
 12 metropolitan redevelopment agency created pursuant to the  
 13 Metropolitan Redevelopment [Law] Code. If the local governing  
 14 body so determines, the agency shall be vested with all of the  
 15 powers in the same manner as though all the powers were  
 16 conferred on the agency or authority instead of the  
 17 municipality.

18 ~~[B. As used in this section, the term~~  
 19 ~~"redevelopment project powers" includes any rights, powers,~~  
 20 ~~functions and duties of a municipality authorized by the~~  
 21 ~~Redevelopment Law except the following, which are reserved to~~  
 22 ~~the local governing body; the power to:~~

23 ~~(1) declare an area to be a slum or a blighted~~  
 24 ~~area or combination thereof and to designate the area as~~  
 25 ~~appropriate for a redevelopment project;~~

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- 1                                   ~~(2) approve or amend redevelopment plans;~~
- 2                                   ~~(3) approve a general plan for the~~
- 3 ~~municipality as a whole;~~
- 4                                   ~~(4) make findings of necessity prior to~~
- 5 ~~preparation of a plan as provided in the Redevelopment Law and~~
- 6 ~~the findings and determinations required prior to approval of a~~
- 7 ~~redevelopment plan or project as provided in the Redevelopment~~
- 8 ~~Law;~~
- 9                                   ~~(5) issue general obligation bonds and revenue~~
- 10 ~~bonds authorized in the Municipal Code;~~
- 11                                   ~~(6) approve loans or grants;~~
- 12                                   ~~(7) approve leases of more than one year's~~
- 13 ~~duration;~~
- 14                                   ~~(8) issue municipal redevelopment bonds;~~
- 15                                   ~~(9) appropriate funds to levy taxes and~~
- 16 ~~assessments; and~~
- 17                                   ~~(10) exercise the power of eminent domain.]"~~

18           Section 9.   Section 3-60A-17 NMSA 1978 (being Laws 1979,  
19 Chapter 391, Section 17) is amended to read:

20           "3-60A-17.   CONFLICT OF INTEREST-- MISCONDUCT. -- [A.] No  
21 public official or employee of a municipality or member of any  
22 board or commission [thereof] of a municipality; no district  
23 board member or employee of a district; and no commissioner or  
24 employee of a metropolitan redevelopment agency [which] that  
25 has been vested by a municipality with metropolitan

underscoring material = new  
[bracketed material] = delete

1 redevelopment project powers by the Metropolitan Redevelopment  
2 [~~Law~~] Code shall voluntarily acquire any direct or indirect  
3 interest [~~direct or indirect~~] in [~~any such project of the~~  
4 ~~municipality or in any contract or proposed contract in~~  
5 ~~connection with such~~] a metropolitan redevelopment project.

6 Where the acquisition is not voluntary, the interest acquired  
7 shall be immediately disclosed in writing to the local  
8 governing body or district, and [~~such~~] that disclosure shall be  
9 entered upon its minutes. If any [~~such~~] public official or  
10 employee of a municipality, commissioner of a metropolitan  
11 redevelopment agency, district board member or employee of a  
12 municipality, district or metropolitan redevelopment agency  
13 currently owns or controls or owned or controlled within the  
14 preceding two years any direct or indirect interest [~~direct or~~  
15 ~~indirect~~] in [~~any~~] property, which [~~he~~] that person knows is  
16 included or planned to be included in a metropolitan  
17 redevelopment project, [~~he~~] the person shall immediately  
18 disclose [~~this~~] that fact in writing to the local governing  
19 body or district, and this disclosure shall be entered upon the  
20 minutes of the governing body or district, and [~~any such~~  
21 ~~official, commissioner or employee~~] that person shall not  
22 participate in any action by the municipality or board or  
23 commission [~~thereof~~] of the municipality or the district board  
24 affecting [~~such~~] the property. [~~Any~~] A disclosure required to  
25 be made by this section to [~~the~~] a local governing body shall

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1 concurrently be made to a metropolitan redevelopment agency  
2 [~~which has been~~] vested with metropolitan redevelopment project  
3 powers by the municipality. "

4 Section 10. Section 3-60A-19 NMSA 1978 (being Laws 1979,  
5 Chapter 391, Section 19) is amended to read:

6 "3-60A-19. TAX INCREMENT LAW - SHORT TITLE. -- Sections [49  
7 ~~through 25 of the Metropolitan Redevelopment Code~~] 3-60A-19  
8 through 3-60A-25 NMSA 1978 may be cited as the "Tax Increment  
9 Law". "

10 Section 11. A new section of the Tax Increment Law is  
11 enacted to read:

12 "[NEW MATERIAL] RESOLUTION DECLARING INTENTION TO FORM  
13 DISTRICT. --

14 A. If the governing body approves a metropolitan  
15 redevelopment plan for a metropolitan redevelopment area within  
16 the governing body's municipality and, on presentation of a  
17 petition that, in accordance with the Tax Increment Law, is  
18 signed by ten or more business owners or five or more property  
19 owners whose businesses or properties are proposed to be  
20 included in a district that may be referred to as a "tax  
21 increment financing district", the governing body of a  
22 municipality may adopt a resolution declaring its intention to  
23 form a district to issue tax increment bonds to the New Mexico  
24 finance authority and that would be subject to tax increment  
25 procedures pursuant to the Metropolitan Redevelopment Code for

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1 the purpose of financing metropolitan redevelopment projects  
2 pursuant to the powers granted to the district pursuant to the  
3 Metropolitan Redevelopment Code. The resolution shall also  
4 state the municipality's intention to include in the district  
5 contiguous or noncontiguous property within an area in which  
6 the metropolitan redevelopment project proposed to be financed  
7 is located. A district shall be wholly within the corporate  
8 boundaries of a municipality. If the governing body fails to  
9 act within ninety days following presentation of a petition to  
10 create a district, the petition shall be deemed to have been  
11 accepted by the governing body, which shall adopt a resolution  
12 and hold a public hearing pursuant to this section. The  
13 resolution shall state:

14 (1) the area to be included within a district;

15 (2) a description of the metropolitan  
16 redevelopment project for which the district is proposed for  
17 formation and to which tax increment procedures pursuant to the  
18 Tax Increment Law are proposed to be applied;

19 (3) a general description of the tax increment  
20 procedures that will be used to finance the metropolitan  
21 redevelopment project for which a district is formed;

22 (4) a general plan for the district that is on  
23 file with the clerk that includes a map depicting the  
24 boundaries of the district;

25 (5) a notice of public hearing in conformity

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1 with the requirements of the Tax Increment Law;

2 (6) the place where written objections to the  
3 formation of the district may be filed by the owner;

4 (7) that formation of the district may result  
5 in the use of tax increment procedures pursuant to the Tax  
6 Increment Law for the financing of the metropolitan  
7 redevelopment projects; and

8 (8) whether the district will be governed by a  
9 district board comprised of the members of the governing body,  
10 ex officio, or comprised of five directors initially appointed  
11 by the governing body.

12 B. The resolution shall direct that a hearing on  
13 formation of the district be scheduled and the notice be mailed  
14 and published as provided in the Tax Increment Law.

15 C. Before adopting a resolution pursuant to this  
16 section, a general plan for the metropolitan redevelopment  
17 project proposed to be financed by the proposed district shall  
18 be filed with the clerk of the municipality. "

19 Section 12. A new section of the Tax Increment Law is  
20 enacted to read:

21 "[NEW MATERIAL] NOTICE AND PUBLIC HEARING. --

22 A. The notice of public hearing to be held  
23 concerning the formation of a district pursuant to the Tax  
24 Increment Law shall be mailed by registered or certified United  
25 States mail, postage prepaid, to all registered voters in the

1 proposed district at least thirty days prior to the date of the  
 2 hearing. In addition, notice shall be published once each week  
 3 for two successive weeks in a newspaper of general circulation  
 4 in the municipality in which the proposed district lies. The  
 5 last publication shall be at least three days before the date  
 6 of the hearing. The notice shall comply with requirements of  
 7 Subsections B and C of this section.

8 B. The municipal clerk shall execute a notice,  
 9 which shall read substantially as follows:

10 "To whom it may concern:

11 The governing body of the (municipality) of \_\_\_\_\_, on  
 12 (Date), adopted the attached resolution declaring its intention  
 13 to form a metropolitan redevelopment district subject to  
 14 property tax increment financing procedures for the purpose of  
 15 financing a metropolitan redevelopment project through the  
 16 issuance of tax increment bonds. A hearing on formation will  
 17 be held on (Date), at (Time) at (Location)."

18 C. A summary of the resolution declaring the  
 19 governing body's intention to form the district shall be  
 20 attached to the notice, and the municipal clerk shall cause a  
 21 copy to be mailed to the registered voters in the district and  
 22 to all other persons who have filed a written request for a  
 23 copy of the notice within the six months preceding or at any  
 24 time following the adoption of the resolution of intent to form  
 25 the district. The municipal clerk shall also publish a copy of

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1 the notice and resolution summary at least twice in a newspaper  
2 of general circulation in the municipality in which the  
3 proposed district lies. The clerk shall execute an affidavit  
4 of mailing stating the date of mailing and the names and  
5 addresses of the persons to whom the notices and copies of the  
6 resolutions were mailed. The clerk shall obtain an affidavit  
7 from the newspaper in which the publication was made. The  
8 clerk shall cause both affidavits to be placed in the official  
9 records of the municipality. The affidavits are conclusive  
10 evidence of the mailing and publishing of notice. Notice shall  
11 not be held invalid for failure of delivery to the addressee."

12 Section 13. A new section of the Tax Increment Law is  
13 enacted to read:

14 "[NEW MATERIAL] ORDER FORMING DISTRICT--ELECTION. --

15 A. When ten or more business owners comprising at  
16 least fifty-one percent of the total business owners in the  
17 proposed district or whenever five or more real property owners  
18 comprising at least fifty-one percent of the total real  
19 property owners in the proposed district, exclusive of  
20 multifamily dwellings or any real property owned by the United  
21 States or the state or any of its political subdivisions,  
22 petition the governing body in writing to create a district,  
23 the governing body shall determine whether the district should  
24 be formed based upon the interests, convenience or necessity of  
25 the residents of the district and the municipality in which the

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1 proposed district would be located. If the governing body  
 2 determines that the district should be formed, it shall adopt a  
 3 resolution ordering that an election be held on the question  
 4 whether to form the district. A resolution ordering a  
 5 formation of the district shall state that the district will be  
 6 governed by a district board consisting of members of the  
 7 governing body, ex officio, or, upon determination of the  
 8 governing body, five directors appointed by the governing body,  
 9 and shall contain the names of the five initial directors and  
 10 the terms of office of each. If the governing body appoints a  
 11 district board, it shall appoint a treasurer and a clerk from  
 12 the appointed members.

13 B. The conduct of a formation election shall meet  
 14 the requirements of the Tax Increment Law. "

15 Section 14. A new section of the Tax Increment Law is  
 16 enacted to read:

17 "[NEW MATERIAL] NOTICE AND CONDUCT OF ELECTION. --

18 A. An election for a formation of a district  
 19 pursuant to the Tax Increment Law shall be a nonpartisan  
 20 election called by posting notices in three public places  
 21 within the boundaries of the district not less than twenty days  
 22 before the election. Notice shall also be published in a  
 23 newspaper of general circulation in the municipality, or, if  
 24 there is no newspaper so circulated in the municipality, in a  
 25 newspaper of general circulation in the county in which the

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1 municipality is located once a week for two consecutive weeks  
2 before the election. The notice shall state:

3 (1) the place of holding the election and  
4 provisions for voting by mail, if any;

5 (2) the hours during the day, not less than  
6 six, in which the polls will be open;

7 (3) the boundaries of the proposed district;  
8 and

9 (4) that a general plan is on file with the  
10 municipal clerk.

11 B. The governing body shall determine the date of  
12 the election and the polling places for the election. The  
13 governing body may establish provisions for voting by mail.

14 C. Voter lists shall be used to determine the  
15 qualified voters in a municipality. Each voter and qualified  
16 elector property owner within the municipality shall have one  
17 vote.

18 D. Except as otherwise provided by this section,  
19 the election shall comply with the general election laws of  
20 this state. The ballot material provided to each voter shall  
21 include:

22 (1) an impartial description of the  
23 metropolitan redevelopment project contemplated within the  
24 proposed district and a brief description of arguments for and  
25 against the formation of the district, if any; and

1 (2) the ballot, which shall pose the question  
 2 to be voted upon as "tax increment financing district, yes" and  
 3 "tax increment financing district, no".

4 E. The governing body may provide for the returns  
 5 of the election to be made in person or by mail.

6 F. Within thirty days after an election, the  
 7 governing body shall meet and canvass the returns, determining  
 8 the number of votes properly cast for and against the question.  
 9 At least a three-fourths' majority of the votes cast by voters  
 10 and qualified elector owners of property within the  
 11 municipality in favor of the proposed district shall be  
 12 required for formation of the district. The canvass may be  
 13 continued for an additional period not to exceed thirty days at  
 14 the election of the governing body for the purpose of  
 15 completing the canvass. Failure of a majority to vote in favor  
 16 of the matter submitted shall not prejudice the submission of  
 17 the same or similar matters at a later election."

18 Section 15. A new section of the Tax Increment Law is  
 19 enacted to read:

20 "[NEW MATERIAL] FORMATION. --

21 A. If the formation of the district is approved by  
 22 at least a three-fourths' majority of the votes cast by voters  
 23 and qualified elector owners of property within the  
 24 municipality in which the district lies, the governing body  
 25 shall cause a copy of the resolution ordering formation of the

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1 district to be delivered to the taxation and revenue department  
2 and the local government division of the department of finance  
3 and administration.

4 B. Except as otherwise provided in this section, a  
5 district shall be a political subdivision of the state,  
6 separate and apart from the municipality.

7 C. Following formation of the district, the  
8 district board shall administer in a reasonable manner the  
9 implementation of the general plan for the metropolitan  
10 redevelopment project of the district."

11 Section 16. A new section of the Tax Increment Law is  
12 enacted to read:

13 "NEW MATERIAL APPOINTMENT OF DIRECTORS--  
14 QUALIFICATIONS--TERMS--RESUMPTION OF GOVERNANCE BY GOVERNING  
15 BODY.--

16 A. The governing body shall appoint a district  
17 board upon the formation of a district. In the case of an  
18 appointed district board, three of the appointed directors  
19 shall serve an initial term of six years. Two of the appointed  
20 directors shall serve an initial term of four years. The  
21 resolution forming the district shall state which directors  
22 shall serve four-year terms and which shall serve six-year  
23 terms. If a vacancy occurs on the district board because of  
24 death, resignation or inability of the director to discharge  
25 the duties of director, the governing body shall appoint a

1 director to fill the vacancy, who shall hold office for the  
 2 remainder of the unexpired term until his successor is  
 3 appointed or elected.

4 B. A director may be a director of more than one  
 5 district.

6 C. At the end of the appointed directors' initial  
 7 term, the district shall hold an election of new directors by  
 8 majority vote of the voters and property owners of the  
 9 district. "

10 Section 17. A new section of the Tax Increment Law is  
 11 enacted to read:

12 "[NEW MATERIAL] POWERS OF A DISTRICT.--In addition to the  
 13 powers otherwise granted to a district pursuant to the  
 14 Metropolitan Redevelopment Code, the district board may:

15 A. enter into contracts and expend money for a  
 16 metropolitan redevelopment project within the district;

17 B. enter into development agreements with  
 18 municipalities, counties or other local government entities in  
 19 connection with property located within the boundaries of the  
 20 district;

21 C. enter into intergovernmental agreements as  
 22 provided in the Joint Powers Agreements Act for the planning,  
 23 design, inspection, ownership, control, maintenance, operation  
 24 or repair of infrastructure for a metropolitan redevelopment  
 25 project or the provision of enhanced services by the

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1 municipality in the district and any other purpose authorized  
2 by the Metropolitan Redevelopment Code;

3 D. sell, lease or otherwise dispose of district  
4 property if the sale, lease or conveyance is not a violation of  
5 the terms of any contract or bond covenant of the district;

6 E. reimburse the municipality in which the district  
7 is located for providing enhanced services in the district;

8 F. employ staff, counsel and consultants;

9 G. reimburse the municipality in which the district  
10 is located for staff and consultant services and support  
11 facilities supplied by the municipality;

12 H. accept gifts or grants and incur and repay loans  
13 for a metropolitan redevelopment project;

14 I. pay the financial, legal and administrative  
15 costs of the district;

16 J. issue tax increment bonds in accordance with the  
17 Metropolitan Redevelopment Code; and

18 K. use public easements and rights of way in or  
19 across public property, roadways, highways, streets or other  
20 thoroughfares and other public easements and rights of way,  
21 whether in or out of the geographical limits of the district or  
22 the municipality."

23 Section 18. A new section of the Tax Increment Law is  
24 enacted to read:

25 "[NEW MATERIAL] RECORDS-- BOARD OF DIRECTORS-- OPEN

1 MEETINGS. --

2 A. The district shall keep the following records,  
3 which shall be open to public inspection:

4 (1) minutes of all meetings of the district  
5 board;

6 (2) all resolutions;

7 (3) accounts showing all money received and  
8 disbursed;

9 (4) the annual budget; and

10 (5) all other records required to be  
11 maintained by law.

12 B. The district board shall appoint a clerk and  
13 treasurer for the district. "

14 Section 19. A new section of the Tax Increment Law is  
15 enacted to read:

16 "[NEW MATERIAL] OTHER DISTRICTS. --The formation of a  
17 district pursuant to the Tax Increment Law shall not prevent  
18 the subsequent establishment of similar districts. "

19 Section 20. A new section of the Tax Increment Law is  
20 enacted to read:

21 "[NEW MATERIAL] RECORDING DOCUMENTS. --The district shall  
22 file and record with the county clerk the resolution ordering  
23 formation of the district and the general plan of the  
24 district. "

25 Section 21. A new section of the Tax Increment Law is  
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[bracketed material] = delete

1 enacted to read:

2 "[NEW MATERIAL] DISSOLUTION OF DISTRICT. --The district  
3 shall be dissolved by the district board by a resolution of the  
4 district board upon a determination that each of the following  
5 conditions exist:

6 A. the metropolitan redevelopment project for which  
7 the district was formed is complete or provision has been made  
8 for metropolitan redevelopment projects to be conveyed to the  
9 municipality in which the district is located;

10 B. the district has no outstanding bond obligations  
11 issued to finance a metropolitan redevelopment project in the  
12 district; and

13 C. all obligations of the district pursuant to any  
14 development agreement have been satisfied. "

15 Section 22. A new section of the Tax Increment Law is  
16 enacted to read:

17 "[NEW MATERIAL] LIMITATION OF LIABILITY. --Neither any  
18 member of the board of directors of a district nor any person  
19 acting on behalf of the district, while acting within the scope  
20 of that person's authority, shall be subject to any personal  
21 liability for any action taken or omitted within that scope of  
22 authority. "

23 Section 23. Section 3-60A-20 NMSA 1978 (being Laws 1979,  
24 Chapter 391, Section 20) is amended to read:

25 "3-60A-20. ALTERNATIVE METHOD OF FINANCING. --

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[bracketed material] = delete

1           A. ~~[Effective for tax years beginning on or after~~  
 2 ~~January 1, 1980 the local governing body of a municipality]~~  
 3 After obtaining necessary approval pursuant to Section 3-60A-23  
 4 NMSA 1978, a district board may elect by resolution to use the  
 5 procedures set forth in the Tax Increment Law for financing  
 6 metropolitan redevelopment projects. Such procedures may be  
 7 used in addition to or in conjunction with other methods  
 8 provided by law for financing such projects.

9           B. The tax increment method, for the purpose of  
 10 financing metropolitan redevelopment projects, is the  
 11 dedication for further use in metropolitan redevelopment  
 12 projects of that increase in property tax revenue directly  
 13 resulting from the increased net taxable value of a parcel of  
 14 property attributable to its rehabilitation, redevelopment or  
 15 other improvement because of its inclusion within an urban  
 16 renewal, community development or metropolitan redevelopment  
 17 project. "

18           Section 24. Section 3-60A-21 NMSA 1978 (being Laws 1979,  
 19 Chapter 391, Section 21, as amended) is amended to read:

20           "3-60A-21. TAX INCREMENT PROCEDURES. --The procedures to  
 21 be used in the tax increment method are:

22           A. the ~~[local governing body of the municipality]~~  
 23 district board shall, at the time ~~[after]~~ of approval by the  
 24 voters and qualified elector property owners within the  
 25 district of the issuance of tax increment bonds for a

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1 metropolitan redevelopment project, notify the county assessor  
2 and the taxation and revenue department of the taxable parcels  
3 of property within the [~~project~~] district;

4 B. upon receipt of notification pursuant to  
5 Subsection A of this section, the county assessor and the  
6 taxation and revenue department shall identify the parcels of  
7 property within the [~~metropolitan redevelopment project within~~  
8 ~~their respective jurisdictions~~] district and certify to the  
9 county treasurer the net taxable value of the property at the  
10 time of notification as the base value for the distribution of  
11 property tax revenues authorized by the Property Tax Code. If  
12 because of acquisition by the municipality in which the  
13 district lies the property becomes tax exempt, the county  
14 assessor and the taxation and revenue department shall note  
15 that fact on their respective records and so notify the county  
16 treasurer, but the county assessor, the taxation and revenue  
17 department and the county treasurer shall preserve a record of  
18 the net taxable value at the time of inclusion of the property  
19 within the [~~metropolitan redevelopment project~~] district as the  
20 base value for the purpose of distribution of property tax  
21 revenues when the parcel again becomes taxable. The county  
22 assessor is not required by this section to preserve the new  
23 taxable value at the time of inclusion of the property within  
24 the [~~metropolitan redevelopment project~~] district as the base  
25 value for the purposes of valuation of the property;

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[bracketed material] = delete

1           C. if because of acquisition by the municipality in  
 2 which the district lies the property becomes tax exempt, when  
 3 the parcel again becomes taxable, the [~~local governing body of~~  
 4 ~~the municipality~~] district board shall notify the county  
 5 assessor and the taxation and revenue department of the parcels  
 6 of property that because of their rehabilitation or other  
 7 improvement are to be revalued for property tax purposes. A  
 8 new taxable value of this property shall then be determined by  
 9 the county assessor or by the taxation and revenue department  
 10 if the property is within the valuation jurisdiction of that  
 11 department. If no acquisition by the municipality in which the  
 12 district lies occurs, improvement or rehabilitation of property  
 13 subject to valuation by the assessor shall be reported to the  
 14 assessor as required by the Property Tax Code, and the new  
 15 taxable value shall be determined as of January 1 of the tax  
 16 year following the year in which the improvement or  
 17 rehabilitation is completed;

18           D. current tax rates shall then be applied to the  
 19 new taxable value. The amount by which the revenue received  
 20 exceeds that which would have been received by application of  
 21 the same rates to the base value before inclusion in the  
 22 [~~metropolitan redevelopment project~~] district shall be credited  
 23 to the [~~municipality~~] district and deposited in the  
 24 metropolitan redevelopment fund. This transfer shall take  
 25 place only after the county treasurer has been notified to

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1 apply the tax increment method to a specific property included  
2 in ~~[a metropolitan redevelopment area. Unless the entire~~  
3 ~~metropolitan redevelopment area is specifically included by the~~  
4 ~~municipality for purposes of tax increment financing, the~~  
5 ~~payment by the county treasurer to the municipality shall be~~  
6 ~~limited to those properties specifically included]~~ the  
7 district. The remaining revenue shall be distributed to  
8 participating units of government as authorized by the Property  
9 Tax Code; and

10 E. the procedures and methods specified in this  
11 section shall be followed annually for a maximum period of  
12 twenty years following the date of notification of inclusion of  
13 property as coming under the transfer provisions of this  
14 section. "

15 Section 25. Section 3-60A-22 NMSA 1978 (being Laws 1979,  
16 Chapter 391, Section 22) is amended to read:

17 "3-60A-22. METROPOLITAN REDEVELOPMENT FUND--CREATION--  
18 DISBURSEMENT.--There is created a "metropolitan redevelopment  
19 fund" for purposes of the Metropolitan Redevelopment Code.  
20 Money in the metropolitan redevelopment fund [~~shall be~~  
21 ~~disbursed]~~ that is credited to a district is appropriated to  
22 the [municipality] district to be used [as other money is  
23 authorized to be used] in accordance with the Metropolitan  
24 Redevelopment Code. "

25 Section 26. Section 3-60A-23 NMSA 1978 (being Laws 1979,  
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1 Chapter 391, Section 23, as amended) is amended to read:

2 "3-60A-23. TAX INCREMENT METHOD APPROVAL. -- The tax  
3 increment method shall be applicable only to ~~[the units of~~  
4 ~~government participating in property tax revenue derived from~~  
5 ~~property within a metropolitan redevelopment project and~~  
6 ~~approving the use of the tax increment method for that property~~  
7 ~~and only to the extent of the approval. An approval may be~~  
8 ~~restricted to certain types or sources of tax revenue]~~ a  
9 district that is approved pursuant to the Tax Increment Law.

10 The ~~[local governing body of each municipality]~~ district board  
11 shall request such approval for up to a twenty-year period for  
12 property included in the tax increment funding. ~~[The governor~~  
13 ~~or his authorized representative shall approve, partially~~  
14 ~~approve or disapprove the use of the method for state~~  
15 ~~government; the governing body of each other participating unit~~  
16 ~~shall approve, partially approve or disapprove by ordinance or~~  
17 ~~resolution the use of the method for their respective units.]~~

18 At the request of a participating unit of government, made  
19 within ten days of receipt of the request by the ~~[municipality]~~  
20 district, the ~~[municipality]~~ district shall make a presentation  
21 to the governor or ~~[his]~~ the governor's authorized  
22 representative and to the governing bodies of all participating  
23 units of government, which ~~[presentation]~~ shall include a  
24 description of the metropolitan redevelopment project to be  
25 funded by the issuance of tax increment bonds pursuant to the

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1 Metropolitan Redevelopment Code and the parcels in the project  
2 to which the tax increment method ~~[will]~~ is proposed to apply,  
3 and an estimate of the general effect of the project and the  
4 application of the tax increment method on property values and  
5 tax revenues. All participating units shall notify the ~~[local~~  
6 ~~governing body of the municipality]~~ district board seeking  
7 approval within thirty days of receipt of the ~~[municipality's~~  
8 ~~request]~~ district board's request. At the expiration of that  
9 time, the alternative method of financing set forth in this  
10 section shall be effective for a period of up to twenty tax  
11 years. "

12 Section 27. Section 3-60A-23.1 NMSA 1978 (being Laws  
13 2000, Chapter 103, Section 4) is amended to read:

14 "3-60A-23.1. TAX INCREMENT BONDS. --

15 A. ~~[For the purpose of financing metropolitan~~  
16 ~~redevelopment projects, in whole or in part, a municipality~~  
17 ~~may]~~ A district shall issue tax increment bonds ~~[or tax~~  
18 ~~increment bond anticipation notes]~~ that are payable from and  
19 secured by real property taxes, in whole or in part, allocated  
20 to the metropolitan redevelopment fund pursuant to the  
21 provisions of Sections 3-60A-21 and 3-60A-23 NMSA 1978. A  
22 district shall sell tax increment bonds that it issues to the  
23 New Mexico finance authority to finance a metropolitan  
24 redevelopment project in that district in accordance with the  
25 Metropolitan Redevelopment Code or the exercise of any power or

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1 authority delegated under the Metropolitan Redevelopment Code.  
 2 The principal of, premium, if any, and interest on the bonds  
 3 [~~or notes~~] shall be payable from and secured by a pledge of  
 4 such revenues, and the [~~municipality~~] district shall  
 5 irrevocably pledge all or part of such revenues to the payment  
 6 of the bonds [~~or notes~~]. The revenues deposited in the  
 7 metropolitan redevelopment fund or the designated part thereof  
 8 may thereafter be used only for the payment of the principal  
 9 of, premium, if any, and interest on the bonds [~~or notes~~], and  
 10 a holder of the bonds [~~or notes~~] shall have a first lien  
 11 against the revenues deposited in the metropolitan  
 12 redevelopment fund or the designated part thereof for the  
 13 payment of principal of, premium, if any, and interest on such  
 14 bonds or notes. [~~To increase the security and marketability of~~  
 15 ~~the tax increment bonds or notes, the municipality may:~~

16 (1) ~~create a lien for the benefit of the~~  
 17 ~~bondholders on any public improvements or public works used~~  
 18 ~~solely by the metropolitan redevelopment project or portion of~~  
 19 ~~a project financed by the bonds or notes, or on the revenues of~~  
 20 ~~such improvements or works;~~

21 (2) ~~provide that the proceeds from the sale of~~  
 22 ~~real and personal property acquired with the proceeds from the~~  
 23 ~~sale of bonds or notes issued pursuant to the Tax Increment Law~~  
 24 ~~shall be deposited in the metropolitan redevelopment fund and~~  
 25 ~~used for the purposes of repayment of principal of, premium, if~~

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1 any, and interest on such bonds or notes; and

2                   (3) ~~make covenants and do any and all acts not~~  
3 ~~inconsistent with law as may be necessary, convenient or~~  
4 ~~desirable in order to additionally secure the bonds or notes or~~  
5 ~~make the bonds or notes more marketable in the exercise of the~~  
6 ~~discretion of the local governing body.]~~

7                   B. Bonds [and notes] issued pursuant to this  
8 section [shall not constitute an indebtedness within the  
9 meaning of any constitutional or statutory debt limitation or  
10 restriction shall not be] are not general obligations of [the]  
11 a municipality, shall be collectible only from the proper  
12 pledged revenues and shall not be subject to the provisions of  
13 any other law or charter relating to the authorization,  
14 issuance or sale of tax increment bonds or tax increment bond  
15 anticipation notes. Bonds [and notes] issued pursuant to the  
16 Tax Increment Law are declared to be issued for an essential  
17 public and governmental purpose and, together with interest  
18 [thereon], shall be exempted from [all] taxes by the state.

19                   C. The bonds [~~or notes shall be authorized by an~~  
20 ~~ordinance of the municipality]~~ shall be in such denominations,  
21 bear such date and mature [~~in the case of bonds]~~ at such time  
22 not exceeding twenty years from their date [~~and in the case of~~  
23 ~~notes, not exceeding five years from the date of the original~~  
24 ~~note]~~; bear interest at a rate or have appreciated principal  
25 value not exceeding the maximum net effective interest rate

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1 permitted by the Public Securities Act; and be in such form,  
 2 carry such registration privileges, be executed in such manner,  
 3 be payable in such place within or without the state, be  
 4 payable at intervals or at maturity and be subject to such  
 5 terms of redemption as the authorizing [~~ordinance or~~  
 6 ~~supplemental~~] resolution [~~or resolutions~~] of the [~~municipality~~]  
 7 district may provide.

8 D. The bonds [~~or notes may~~] shall be sold to the  
 9 New Mexico finance authority in one or more series at, below or  
 10 above par, [~~at public or private sale~~] in [~~such~~] a manner and  
 11 for [~~such~~] a price [~~as the municipality~~] determined by the  
 12 district board, in its discretion [~~shall determine~~]; provided  
 13 that the price at which the bonds [~~or notes~~] are sold shall not  
 14 result in a net effective interest rate that exceeds the  
 15 maximum permitted by the Public Securities Act. As an  
 16 incidental expense of a metropolitan redevelopment project or  
 17 portion thereof financed with the bonds [~~or notes~~], the  
 18 [~~municipality~~] district in its discretion may employ financial  
 19 and legal consultants with regard to the financing of the  
 20 project.

21 E. In case any of the [~~public officials of the~~  
 22 ~~municipality~~] district board members whose signatures appear on  
 23 any bonds [~~or notes~~] issued pursuant to the Tax Increment Law  
 24 shall cease to be [~~public officials~~] district board members  
 25 before the delivery of the bonds [~~or notes~~], the signatures

1 shall, nevertheless, be valid and sufficient for all purposes,  
2 the same as if the [~~officials~~] board members had remained in  
3 office until delivery. Any provision of law to the contrary  
4 notwithstanding, any bonds [~~or notes~~] issued pursuant to the  
5 Tax Increment Law shall be fully negotiable.

6 F. [~~In any suit, action or proceeding involving the~~  
7 ~~validity or enforceability of~~] Any tax increment bond [~~or note~~  
8 ~~issued pursuant to the Tax Increment Law or the security~~  
9 ~~therefor, any bond or note reciting in substance that it has~~  
10 ~~been issued by the municipality~~] in connection with a  
11 metropolitan redevelopment project shall be conclusively deemed  
12 to have been issued for [~~such purpose~~] that project, and the  
13 project shall be conclusively deemed to have been planned,  
14 located and carried out in accordance with the provisions of  
15 the Metropolitan Redevelopment Code.

16 G. The proceedings under which tax increment bonds  
17 or tax increment bond anticipation notes are authorized to be  
18 issued and any mortgage, deed of trust, trust indenture or  
19 other lien or security device on real and personal property  
20 given to secure the same may contain provisions customarily  
21 contained in instruments securing bonds and notes and  
22 constituting a covenant with the bondholders.

23 H. A [~~municipality~~] district may issue tax  
24 increment bonds [~~or notes~~] pursuant to this section with the  
25 proceeds from the tax increment bonds or notes to be used as

1 other money is authorized to be used in the Metropolitan  
2 Redevelopment Code.

3 ~~[I. The municipality shall have the power to issue~~  
4 ~~renewal notes, to issue bonds to pay notes and whenever it~~  
5 ~~deems refunding expedient, to refund any bonds by the issuance~~  
6 ~~of new bonds, whether the bonds to be refunded have or have not~~  
7 ~~matured, and to issue bonds partly to refund bonds then~~  
8 ~~outstanding and partly for other purposes in connection with~~  
9 ~~financing metropolitan redevelopment projects, in whole or in~~  
10 ~~part. Refunding bonds issued pursuant to the Tax Increment Law~~  
11 ~~to refund outstanding tax increment bonds shall be payable from~~  
12 ~~real property tax revenues, out of which the bonds to be~~  
13 ~~refunded thereby are payable or from other lawfully available~~  
14 ~~revenues.~~

15 ~~J.]~~ I. The proceeds from the sale of [any] tax  
16 increment bonds [~~or notes~~] shall be applied only for the  
17 purpose for which the bonds [~~or notes~~] were issued or for  
18 carrying out district or district board powers or duties and  
19 if, for any reason, any portion of the proceeds are not needed  
20 for [~~the purpose for which the bonds or notes were issued~~] such  
21 purposes, the unneeded portion of the proceeds shall be applied  
22 to the payment of the principal of or the interest on the  
23 bonds. [~~or notes~~

24 ~~K. The cost of financing a metropolitan~~  
25 ~~redevelopment project shall be deemed to include the actual~~

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1 ~~cost of acquiring a site and the cost of the construction of~~  
2 ~~any part of a project, including architects' and engineers'~~  
3 ~~fees, the purchase price of any part of a project that may be~~  
4 ~~acquired by purchase and all expenses in connection with the~~  
5 ~~authorization, sale and issuance of the bonds or notes to~~  
6 ~~finance the acquisition, and any related costs incurred by the~~  
7 ~~municipality.~~

8           ~~L.]~~ J. No action shall be brought questioning the  
9 legality of any contract, mortgage, deed of trust, trust  
10 indenture or other lien or security device, proceeding or bonds  
11 [~~or notes~~] executed in connection with any project authorized  
12 by the Metropolitan Redevelopment Code on and after thirty days  
13 from the effective date of the ordinance authorizing the  
14 issuance of such bonds [~~or notes~~]. "

15           Section 28. A new section of the Tax Increment Law is  
16 enacted to read:

17           "[NEW MATERIAL] TAX INCREMENT BONDS--VOTER APPROVAL--  
18 ELECTIONS. --

19           A. Upon approving or obtaining approval for the tax  
20 increment method for a metropolitan redevelopment project  
21 pursuant to Section 3-60A-23 NMSA 1978 and electing by  
22 resolution to issue tax increment bonds for a metropolitan  
23 redevelopment project within its district, a district board  
24 shall submit to a vote of the voters of and qualified elector  
25 property owners within its district the question of issuing the

1 tax increment bonds to fund the metropolitan redevelopment  
2 project. The election may be held at the same time as the  
3 regular municipal election or at any special election within  
4 the metropolitan redevelopment area held for that purpose.

5 B. The district board shall give notice to voters  
6 and owners of property within the district proposed to issue  
7 tax increment bonds of the time and place of holding the  
8 election and the purpose for which the tax increment bonds are  
9 to be issued. A change in the location of a polling place  
10 after notice has been given shall not invalidate a tax  
11 increment bond election.

12 C. The question shall state the purpose of the  
13 metropolitan redevelopment project for which the tax increment  
14 bonds are to be issued and the amount of the issue. If tax  
15 increment bonds are to be issued for more than one metropolitan  
16 redevelopment project, a separate question shall be submitted  
17 to the voters for the purpose of each metropolitan  
18 redevelopment project to be voted upon. The ballots shall  
19 contain words indicating the purpose of the metropolitan  
20 redevelopment project for which the tax increment bonds are to  
21 be issued and a place for a vote "For tax increment bonds" and  
22 "Against tax increment bonds" for each tax increment bond  
23 issue. The ballots shall be deposited in a separate ballot box  
24 unless voting machines are used.

25 D. The vote upon each question proposing to issue

1 tax increment bonds shall be canvassed as provided in the  
2 Municipal Election Code, and the municipal clerk of the  
3 municipality in which the district lies shall certify the  
4 results of the election and file the certificate of canvass in  
5 the official minute books of the district and of the  
6 municipality in which the district lies.

7 E. If a majority of the voters and qualified  
8 elector property owners of the district votes in favor of the  
9 issuance of tax increment bonds, the district board may proceed  
10 to issue the tax increment bonds in accordance with the  
11 Metropolitan Redevelopment Code.

12 F. Each voter and qualified elector property owner  
13 in the district shall have one vote."

14 Section 29. Section 3-60A-27 NMSA 1978 (being Laws 1979,  
15 Chapter 391, Section 27) is amended to read:

16 "3-60A-27. DEFINITIONS.--As used in the Redevelopment  
17 Bonding Law:

18 [~~A. "revenue bonds" means bonds, notes or other~~  
19 ~~securities evidencing an obligation and issued pursuant to the~~  
20 ~~powers granted by the Metropolitan Redevelopment Code by a~~  
21 ~~municipality for purposes authorized by that code;~~

22 B.] A. "finance" or "financing" means the issuing  
23 of bonds by a [~~municipality~~] district and the use of  
24 substantially all of the proceeds [~~therefrom~~] from the bonds  
25 pursuant to a financing agreement with the user to pay or to

1 reimburse the user or its designee for the costs of the  
 2 acquisition or construction of a project, whether these costs  
 3 are incurred by the [~~municipality~~] district, the user or a  
 4 designee of the user; provided that title to or in the project  
 5 may at all times remain in the user, and, in such case, the  
 6 bonds of the [~~municipality~~] district may be secured by mortgage  
 7 or other lien upon the project or upon any other property of  
 8 the user or both granted by the user or by a pledge of one or  
 9 more notes, debentures, bonds or other secured or unsecured  
 10 debt obligations of the user as the [~~governing body~~] district  
 11 board deems advisable, but [~~no municipality shall be~~] a  
 12 district is not authorized [~~hereby~~] to pledge [~~any of~~] its  
 13 property or to otherwise secure the payment of any bonds with  
 14 its property, except that the [~~municipality~~] district may  
 15 pledge the property of the project or revenues [~~therefrom~~] from  
 16 the project;

17 ~~[C.]~~ B. "financing agreement" includes a lease,  
 18 sublease, installment purchase agreement, rental agreement,  
 19 option to purchase or any other agreement or any combination  
 20 thereof entered into in connection with the financing of a  
 21 project pursuant to the Metropolitan Redevelopment Code;

22 ~~[D.]~~ C. "mortgage" means a deed of trust or any  
 23 other security device for both real and personal property;

24 ~~[E.]~~ D. "ordinance" means an ordinance of a  
 25 municipality financing or refinancing an activity involving or

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1 affecting improvement or improvements;

2 [F.—"project" means an activity which can be funded  
3 or refinanced by revenue bonds issued pursuant to the  
4 Redevelopment Bonding Law for the purpose of acquiring,  
5 improving, rehabilitating, conserving, financing, or  
6 refinancing, erecting or building new or improved facilities,  
7 on land, building or buildings or any other improvement or  
8 improvements, site or any other activity authorized by the  
9 Metropolitan Redevelopment Code for projects or activities  
10 located within the boundaries of a metropolitan redevelopment  
11 area. The revenue bonds may be used for the projects hereafter  
12 enumerated for any purpose or use in such project, except that  
13 no funds shall be used for inventories, raw materials or other  
14 working capital, whether or not in existence, suitable or used  
15 for or in connection with any of the following projects:

16 (1) manufacturing, industrial, commercial or  
17 business enterprises, including without limitation enterprises  
18 engaged in storing, warehousing, distributing, selling or  
19 transporting any products of industry, commerce, manufacturing  
20 or business or any utility plant;

21 (2) hospital, health care or nursing home  
22 facilities, including without limitation clinics and out-  
23 patient facilities and facilities for the training of hospital,  
24 health care or nursing home personnel;

25 (3) residential facilities intended for use as

1 ~~the place of residence by the owners or intended occupants;~~  
 2 ~~(4) sewage or solid waste disposal facilities;~~  
 3 ~~(5) facilities for the furnishing of water, if~~  
 4 ~~available, on reasonable demand to members of the general~~  
 5 ~~public;~~  
 6 ~~(6) facilities for the furnishing of energy or~~  
 7 ~~gas;~~  
 8 ~~(7) sports and recreational facilities;~~  
 9 ~~(8) convention or trade show facilities; and~~  
 10 ~~(9) research, product testing and~~  
 11 ~~administrative facilities;~~

12 ~~G.] E.~~ "state" means the state of New Mexico;

13 ~~H.] F.~~ "user" means one or more persons who enter  
 14 into a financing agreement with a ~~[municipality]~~ district  
 15 relating to a project, except that the user need not be the  
 16 person actually occupying, operating or maintaining the  
 17 project; and

18 ~~I.] G.~~ "utility plant" means ~~[any]~~ a facility used  
 19 for or in connection with the generation, production,  
 20 transmission or distribution of electricity; the production,  
 21 manufacture, storage or distribution of gas; the transportation  
 22 or conveyance of gas, oil or other fluid substance by pipeline;  
 23 or the diverting, developing, pumping, impounding, distributing  
 24 or furnishing of water. "

25 Section 30. Section 3-60A-28 NMSA 1978 (being Laws 1979,  
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underscored material = new  
 [bracketed material] = delete

1 Chapter 391, Section 28) is amended to read:

2 "3-60A-28. GENERAL POWERS. -- ~~[A.]~~ In addition to any  
3 other powers, each ~~[municipality]~~ district has the following  
4 powers:

5 ~~[(1)]~~ A. to acquire, whether by construction,  
6 purchase, gift, devise, lease or sublease, to improve and equip  
7 and to finance, sell, lease or otherwise dispose of one or more  
8 projects or part thereof. If a ~~[municipality]~~ district issues  
9 ~~[revenue]~~ tax increment bonds as provided by the Metropolitan  
10 Redevelopment Code to finance or acquire projects, such  
11 projects shall be located within the ~~[municipality]~~ district  
12 and within a metropolitan redevelopment area;

13 ~~[(2)]~~ B. to enter into financing agreements with  
14 others for the purpose of providing revenues to pay the tax  
15 increment bonds ~~[authorized by the Redevelopment Bonding Law];~~  
16 to lease, sell or otherwise dispose of any or all of its  
17 projects to others for such revenues and upon such terms and  
18 conditions as the ~~[local governing body]~~ district board may  
19 deem advisable; and to grant options to renew any lease or  
20 other agreement with respect to the project and to grant  
21 options to buy any project at such price as the ~~[local~~  
22 ~~governing body]~~ district board deems desirable;

23 ~~[(3)]~~ C. to issue ~~[revenue]~~ tax increment bonds,  
24 after obtaining voter approval and meeting other requirements  
25 pursuant to the Metropolitan Redevelopment Act, for the purpose

underscored material = new  
[bracketed material] = delete

1 of defraying the cost of financing, acquiring, improving and  
 2 equipping ~~any~~ a metropolitan redevelopment project within the  
 3 district, including the payment of principal and interest on  
 4 ~~such~~ the bonds for a period not to exceed three years and all  
 5 other incidental expenses incurred in issuing ~~such~~ the bonds;  
 6 and

7 ~~(4)~~ D. to secure payment of ~~such~~ tax increment  
 8 bonds as provided in the Redevelopment Bonding Law. "

9 Section 31. Section 3-60A-31 NMSA 1978 (being Laws 1979,  
 10 Chapter 391, Section 31) is amended to read:

11 "3-60A-31. ~~[REVENUE] TAX INCREMENT BONDS--ISSUANCE--~~  
 12 ~~STATUS.--~~

13 A. A ~~municipality~~ district may issue ~~revenue~~  
 14 tax increment bonds in connection with a financing agreement  
 15 for the purposes of financing a metropolitan redevelopment  
 16 project authorized by the provisions of the Redevelopment  
 17 Bonding Law.

18 B. A ~~revenue~~ tax increment bond shall be a  
 19 limited obligation of the ~~municipality~~ district, the  
 20 principal and interest of which shall be payable, subject to  
 21 the mortgage provisions of the Redevelopment Bonding Law,  
 22 solely out of the revenues derived from the financing, sale or  
 23 leasing of the project with respect to which the bonds are  
 24 issued.

25 C. The ~~revenue~~ tax increment bond and interest

1 coupons, if any, appurtenant thereto [~~shall never constitute~~  
2 are not a debt [~~or indebtedness~~] of the district or of the  
3 municipality in which the district lies within the meaning of  
4 any provision or limitation of the [~~state~~] constitution of New  
5 Mexico, statutes of the state or a home rule charter of the  
6 municipality, and [~~such~~] that bond [~~shall~~] does not constitute  
7 [~~nor give rise to~~] a pecuniary liability of the district or of  
8 the municipality in which the district lies or a charge against  
9 its general credit or taxing powers. Such limitations shall be  
10 plainly stated on the face of each [~~such~~] tax increment bond."

11 Section 32. Section 3-60A-34 NMSA 1978 (being Laws 1979,  
12 Chapter 391, Section 34) is amended to read:

13 "3-60A-34. [~~REVENUE~~] TAX INCREMENT BONDS--TERMS OF  
14 PROCEEDINGS AND INSTRUMENTS. -- [~~A.~~] The proceedings under which  
15 the [~~revenue~~] tax increment bonds are authorized to be issued  
16 and any mortgage or trust indenture given to secure the [~~same~~]  
17 bonds may contain [~~any~~] provisions customarily contained in  
18 instruments securing bonds and constituting a covenant with the  
19 bondholders, including [~~but not limited to~~]:

20 [(1)] A. provisions respecting custody of the  
21 proceeds from the sale of the bonds, including their investment  
22 and reinvestment until used to defray the cost of the project;

23 [(2)] B. provisions respecting the fixing and  
24 collection of revenues from the project;

25 [(3)] C. the terms to be incorporated in the

1 financing agreement and any mortgage or trust indenture for the  
2 project, including without limitation provision for subleasing;

3 [~~(4)~~] D. the maintenance and insurance of the  
4 project;

5 [~~(5)~~] E. the creation of funds and accounts into  
6 which any bond proceeds, revenues and income may be deposited  
7 or credited;

8 [~~(6)~~] F. limitation on the purpose to which the  
9 proceeds of any bonds [~~then or thereafter to be~~] issued may be  
10 applied;

11 [~~(7)~~] G. limitation on the issuance of additional  
12 bonds, the terms upon which additional bonds are issued and  
13 secured, the refunding of bonds and the replacement of bonds;

14 [~~(8)~~] H. the procedure, if any, by which the terms  
15 of any contract with bondholders may be amended or abrogated;

16 [~~(9)~~] I. vesting in a trustee such properties,  
17 rights, powers and duties in trust as the [~~municipality~~]  
18 district board determines and limiting the rights, duties and  
19 powers of [~~such~~] the trustees; and

20 [~~(10)~~] J. the rights and remedies available in case  
21 of a default to the bondholders or to any trustee under the  
22 financing agreement, a mortgage or a trust indenture for the  
23 project. "

24 Section 33. Section 3-60A-35 NMSA 1978 (being Laws 1979,  
25 Chapter 391, Section 35) is amended to read:

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1 "3- 60A- 35. [~~REVENUE~~] TAX INCREMENT BONDS- - INVESTMENTS  
2 AND BANK DEPOSITS. - -

3 A. [~~The municipality~~] A district that issues tax  
4 increment bonds may provide that proceeds from the sale of  
5 [~~revenue~~] the bonds and special funds from the revenues of the  
6 metropolitan redevelopment project for which the bonds are  
7 issued shall be invested and reinvested in such securities and  
8 other investments, whether or not any such investment or  
9 reinvestment is authorized under any other law of this state,  
10 as may be provided in the proceedings under which the bonds are  
11 authorized to be issued, including [~~but not limited to~~]:

12 (1) bonds or other obligations of the United  
13 States;

14 (2) bonds or other obligations, the payment of  
15 the principal and interest of which is unconditionally  
16 guaranteed by the United States;

17 (3) obligations issued or guaranteed as to  
18 principal and interest by any agency or person controlled or  
19 supervised by and acting as an instrumentality of the United  
20 States pursuant to authority granted by the congress of the  
21 United States;

22 (4) obligations issued or guaranteed by any  
23 state of the United States or any political subdivision of any  
24 such state;

25 (5) prime commercial paper;

- 1 (6) prime finance company paper;
- 2 (7) [~~bankers~~] banker's acceptances drawn on
- 3 and accepted by commercial banks;
- 4 (8) repurchase agreements fully secured by
- 5 obligations issued or guaranteed as to principal and interest
- 6 by the United States or by any person controlled or supervised
- 7 by and acting as an instrumentality of the United States
- 8 pursuant to authority granted by the congress of the United
- 9 States; and
- 10 (9) certificates of deposit issued by
- 11 commercial banks.

12 B. The [~~municipality~~] district may [~~also~~] provide  
 13 that the proceeds, funds or investments and the revenues  
 14 payable under the financing agreement shall be received, held  
 15 and disbursed by one or more banks or trust companies located  
 16 within or without this state. "

17 Section 34. Section 3-60A-36 NMSA 1978 (being Laws 1979,  
 18 Chapter 391, Section 36) is amended to read:

19 "3-60A-36. [~~REVENUE~~] TAX INCREMENT BONDS--ACQUISITION OF  
 20 PROJECT. --

21 A. [~~The municipality~~] A district that issues tax  
 22 increment bonds may also provide that

23 [~~(1)~~] the metropolitan redevelopment project  
 24 and improvements to be constructed, if any, shall be  
 25 constructed by the [~~municipality~~] district, the user, the

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1 user's designee or any one or more of them on real estate owned  
2 by the [~~municipality~~] district, the user or the user's designee  
3 [~~as the case may be and~~

4 ~~(2) the bond proceeds shall be disbursed by~~  
5 ~~the trustee bank or trust company during construction upon the~~  
6 ~~estimate, order or certificate of the user or the user's~~  
7 ~~designee].~~

8 B. The metropolitan redevelopment project, if and  
9 to the extent constructed on real estate not owned by the  
10 district or the municipality in which the district lies, may be  
11 conveyed or leased or an easement therein granted to the  
12 district or to the municipality at any time."

13 Section 35. Section 3-60A-37 NMSA 1978 (being Laws 1979,  
14 Chapter 391, Section 37) is amended to read:

15 "3-60A-37. [~~REVENUE~~] TAX INCREMENT BONDS--LIMITED  
16 OBLIGATION.--In making such agreements or provisions, a  
17 [~~municipality~~] district that issues tax increment bonds shall  
18 not obligate itself except with respect to the metropolitan  
19 redevelopment project for which the bonds are issued and the  
20 application of the revenues [~~therefrom~~] and [~~revenue~~] tax  
21 increment bond proceeds [~~therefor~~] from the project."

22 Section 36. Section 3-60A-39 NMSA 1978 (being Laws 1979,  
23 Chapter 391, Section 39) is amended to read:

24 "3-60A-39. [~~REVENUE~~] TAX INCREMENT BONDS--DETERMINATION  
25 OF REVENUE.--

1           A. Prior to entering into a financing agreement for  
2 ~~[the]~~ a metropolitan redevelopment project and the issuance of  
3 ~~[revenue]~~ tax increment bonds in connection ~~[therewith the~~  
4 ~~local governing body]~~ with the metropolitan redevelopment  
5 project, a district board shall determine:

6                   (1) the amount necessary in each year to pay  
7 the principal of and the interest on the first tax increment  
8 bonds proposed to be issued to finance ~~[such]~~ the project;

9                   (2) the amount necessary to be paid each year  
10 into any reserve funds ~~[which]~~ that the ~~[governing body may~~  
11 ~~deem]~~ district board deems advisable to establish in connection  
12 with the retirement of the proposed bonds and the maintenance  
13 of the project; and

14                   (3) the estimated cost of maintaining the  
15 project in good repair and keeping it properly insured unless  
16 the terms under which the project is to be financed provide  
17 that the user shall maintain the project and carry all proper  
18 insurance with respect ~~[thereto]~~ to the project.

19           B. The determination and findings of the ~~[local~~  
20 ~~governing body]~~ district board required to be made by  
21 Subsection A of this section shall be set forth in the  
22 proceedings under which the proposed ~~[revenue]~~ tax increment  
23 bonds are to be issued; but the foregoing amounts need not be  
24 expressed in dollars and cents in the financing agreement and  
25 proceedings under which the tax increment bonds are authorized

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1 to be issued. "

2 Section 37. Section 3-60A-40 NMSA 1978 (being Laws 1979,  
3 Chapter 391, Section 40) is amended to read:

4 "3-60A-40. [REVENUE] TAX INCREMENT BONDS--FINANCING OF  
5 PROJECT.--Prior to the issuance of any [~~revenue~~] tax increment  
6 bonds authorized by the Redevelopment Bonding Law, the  
7 [~~municipality~~] district issuing the bonds shall enter into a  
8 financing agreement with respect to the metropolitan  
9 redevelopment project with a user providing for payment to the  
10 [~~municipality~~] district of such revenues as upon the basis of  
11 such determinations and findings will be sufficient to pay the  
12 principal of and interest on the bonds issued to finance the  
13 project, to build up and maintain any reserves deemed advisable  
14 by the [~~local governing body~~] district board in connection  
15 [~~therewith~~] with the project and to pay the costs of  
16 maintaining the project in good repair and keeping it properly  
17 insured unless the financing agreement obligates the user to  
18 pay for the maintenance of and insurance on the project. "

19 Section 38. Section 3-60A-42 NMSA 1978 (being Laws 1979,  
20 Chapter 391, Section 42) is amended to read:

21 "3-60A-42. [REVENUE] TAX INCREMENT BONDS--REFUNDING.--

22 A. [~~Any revenue~~] Tax increment bonds issued [~~under~~]  
23 pursuant to the provisions of the Redevelopment Bonding Law and  
24 at any time outstanding may [~~at any time and from time to time~~]  
25 be refunded by a [~~municipality~~] district by the issuance of

1 [its] refunding bonds in [such] an amount [~~as the governing~~  
 2 ~~body may deem~~] deemed necessary by the district board to refund  
 3 the principal of the bonds [~~to be so refunded~~], any unpaid  
 4 interest [~~thereon~~] on the bonds and any premiums and incidental  
 5 expenses necessary to be paid in connection [~~therewith~~] with  
 6 the bonds.

7 B. [~~Any such refunding may be effected~~] Whether  
 8 [~~the~~] tax increment bonds to be refunded have or have not  
 9 matured [~~or shall thereafter mature~~], refunding may occur  
 10 either by sale of the refunding bonds and the direct or  
 11 indirect application of the proceeds [~~thereof, directly or~~  
 12 ~~indirectly~~] to the payment of the tax increment bonds to be  
 13 refunded [~~thereby~~] or by exchange of the refunding bonds for  
 14 the tax increment bonds to be refunded [~~thereby~~], but the  
 15 holders of any bonds to be [~~so~~] refunded shall not be  
 16 compelled, without their consent, to surrender their bonds for  
 17 payment or exchange prior to the date on which they are payable  
 18 by maturity date, option to redeem or otherwise or if they are  
 19 called for redemption prior to the date on which they are by  
 20 their terms subject to redemption by option or otherwise.

21 C. All refunding bonds issued under authority of  
 22 the Redevelopment Bonding Law to refund [~~revenue~~] tax increment  
 23 bonds shall be payable solely from revenues out of which tax  
 24 increment bonds to be refunded [~~thereby~~] are payable or from  
 25 revenues out of which bonds of the same character may be made

1 payable under the Redevelopment Bonding Law or any other law in  
2 effect at the time of the refunding. "

3 Section 39. Section 3-60A-43 NMSA 1978 (being Laws 1979,  
4 Chapter 391, Section 43) is amended to read:

5 "3-60A-43. ~~[REVENUE]~~ TAX INCREMENT BONDS--APPLICATION OF  
6 PROCEEDS. -- ~~[A.]~~ The proceeds from the sale of ~~[any revenue]~~ tax  
7 increment bonds shall be applied only for the purpose for which  
8 the bonds were issued, and, if for any reason any portion of  
9 such proceeds are not needed for the purpose for which the  
10 bonds were issued, such unneeded portion of the proceeds shall  
11 be applied to the payment of the principal of or the interest  
12 on the bonds.

13 ~~[B. The cost of acquiring any project shall be~~  
14 ~~deemed to include the actual cost of acquiring a site and the~~  
15 ~~cost of the construction of any part of a project which may be~~  
16 ~~constructed, including architects' and engineers' fees, the~~  
17 ~~purchase price of any part of a project that may be acquired by~~  
18 ~~purchase and all expenses in connection with the authorization,~~  
19 ~~sale and issuance of the bonds to finance such acquisition and~~  
20 ~~any costs incurred by the municipality.]"~~

21 Section 40. Section 3-60A-44 NMSA 1978 (being Laws 1979,  
22 Chapter 391, Section 44) is amended to read:

23 "3-60A-44. ~~[NO PAYMENT BY MUNICIPALITY]~~ METROPOLITAN  
24 REDEVELOPMENT PROJECT FUNDING--TAX INCREMENT BOND PROCEEDS--  
25 DONATIONS. --

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1           ~~[A. No municipality or public body shall pay out of~~  
 2 ~~its general fund or otherwise contribute any part of the costs~~  
 3 ~~of acquiring a project and, unless specifically acquired for~~  
 4 ~~uses of the character described in the Redevelopment Bonding~~  
 5 ~~Law or unless the land is determined by the governing body to~~  
 6 ~~be no longer necessary for other municipal purposes or purposes~~  
 7 ~~of a public body, shall not use land already owned by the~~  
 8 ~~municipality or public body or in which the municipality, or~~  
 9 ~~public body has an equity for the construction thereon of a~~  
 10 ~~project or any part thereof.~~

11           B.] The entire cost of ~~[acquiring any]~~ funding a  
 12 metropolitan redevelopment project or carrying out district  
 13 board powers or duties pursuant to the Metropolitan  
 14 Redevelopment Code shall be paid out of the proceeds from the  
 15 sale of the ~~[revenue]~~ tax increment bonds, but this provision  
 16 shall not be construed to prevent a municipality, metropolitan  
 17 redevelopment agency or ~~[public body]~~ district from accepting  
 18 donations of property to be used as a part of any metropolitan  
 19 redevelopment project or money to be used for defraying any  
 20 part of the cost of any metropolitan redevelopment project. "

21           Section 41. Section 3-60A-45 NMSA 1978 (being Laws 1979,  
 22 Chapter 391, Section 45) is amended to read:

23           "3-60A-45. NO MUNICIPAL OPERATION. -- ~~[A.]~~ When all  
 24 principal of, interest on and any prior redemption premium due  
 25 in connection with the revenue bonds issued for a project

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1 leased to a user have been paid in full and in the event the  
2 option to purchase or option to renew the lease, if any,  
3 contained in the lease has not been exercised as to all of the  
4 property contained in the project, the lease shall terminate,  
5 the district holding the property shall remit it to the  
6 municipality and the municipality shall sell such remaining  
7 property or devote the [~~same~~] property to municipal purposes  
8 other than manufacturing, commercial or industrial.

9 ~~[B. Any such sale which is not made pursuant to the~~  
10 ~~exercise of an option to purchase by the user of a project~~  
11 ~~shall be conducted in the same manner as is then provided by~~  
12 ~~law governing the issuer's sale of surplus property.]"~~

13 Section 42. Section 3-60A-46 NMSA 1978 (being Laws 1979,  
14 Chapter 391, Section 46) is amended to read:

15 "3-60A-46. LIMITATION OF ACTIONS. --No action shall be  
16 brought questioning the legality of any contract, financing  
17 agreement, mortgage, trust indenture, proceeding or tax  
18 increment bonds executed in connection with any metropolitan  
19 redevelopment project or improvements authorized by the  
20 [~~Redevelopment Bonding Law~~] Metropolitan Redevelopment Code on  
21 and after thirty days from the effective date of [~~the~~  
22 ~~resolution or ordinance authorizing~~] approval of the issuance  
23 of [~~such~~] the bonds pursuant to the Metropolitan Redevelopment  
24 Code. "

25 Section 43. [NEW MATERIAL] SHORT TITLE. --Sections 43

1 through 61 of this act may be cited as the "Metropolitan  
2 Redevelopment Tax Act".

3 Section 44. [NEW MATERIAL] DEFINITIONS. --As used in the  
4 Metropolitan Redevelopment Tax Act:

5 A. "blighted area" means an area within the area of  
6 operation other than a slum area that substantially impairs or  
7 arrests the sound growth and economic health and well-being of  
8 a municipality or locale within a municipality or an area that  
9 retards the provisions of housing accommodations or constitutes  
10 an economic or social burden and is a menace to the public  
11 health, safety, morals or welfare in its present condition and  
12 use because of the presence of a substantial number of  
13 deteriorated or deteriorating structures; predominance of  
14 defective or inadequate street layout; faulty lot layout in  
15 relation to size, adequacy, accessibility or usefulness;  
16 insanitary or unsafe conditions; deterioration of site or other  
17 improvements; diversity of ownership; tax or special assessment  
18 delinquency exceeding the fair value of the land; defective or  
19 unusual conditions of title; improper subdivision; lack of  
20 adequate housing facilities in the area; or obsolete or  
21 impractical planning and platting or an area where a  
22 significant number of commercial or mercantile businesses have  
23 closed or significantly reduced their operations due to the  
24 economic losses or loss of profit due to operating in the area,  
25 low levels of commercial or industrial activity or

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1 redevelopment or any combination of such factors;

2 B. "department" means the taxation and revenue  
3 department, the secretary of taxation and revenue or any  
4 employee of the department exercising authority lawfully  
5 delegated to that employee by the secretary;

6 C. "district" means a metropolitan redevelopment  
7 district formed pursuant to the Metropolitan Redevelopment Tax  
8 Act;

9 D. "district board" means the board of directors of  
10 a district;

11 E. "governing body" means the board or body in  
12 which the legislative powers of a municipality are vested;

13 F. "metropolitan redevelopment project" means an  
14 activity or undertaking designed to eliminate a slum area or a  
15 blighted area;

16 G. "municipality" means any incorporated city, town  
17 or village, whether incorporated under general act, special act  
18 or special charter, and an H-class county;

19 H. "qualified elector" means any person who is  
20 qualified to voter under the provisions of the United States  
21 constitution;

22 I. "slum area" means an area within the area of  
23 operation in which there are numerous residential or  
24 nonresidential buildings, improvements and structures that are  
25 dilapidated, deteriorated, aged or obsolete or that have

1 inadequate provision for ventilation, light, air or sanitation  
 2 or the area lacks open spaces, high density of population,  
 3 overcrowding or the existence of conditions that endanger life  
 4 or property by fire or other causes, and the area is conducive  
 5 to ill health, transmission of disease, infant mortality,  
 6 juvenile delinquency or crime and is detrimental to the public  
 7 health, safety, morals and welfare; and

8 J. "voter" means any qualified elector who is  
 9 registered under the provisions of the Election Code.

10 Section 45. [NEW MATERIAL] RESOLUTION DECLARING  
 11 INTENTION TO FORM DISTRICT. --

12 A. If the public convenience and necessity require,  
 13 and on presentation of a petition signed by at least twenty-  
 14 five percent of the voters proposed to be included in a  
 15 district that may be referred to as a "metropolitan  
 16 redevelopment district", the governing body of a municipality  
 17 may adopt a resolution declaring its intention to finance a  
 18 metropolitan redevelopment project within the municipality and  
 19 to form a district that would be subject to the tax increment  
 20 procedures set forth in the Metropolitan Redevelopment Tax Act  
 21 for the purpose of financing that metropolitan redevelopment  
 22 project. The resolution shall also state the municipality's  
 23 intention to include in the district contiguous or  
 24 noncontiguous property within an area in which the metropolitan  
 25 redevelopment project proposed to be financed is located. A

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1 district shall be wholly within the corporate boundaries of the  
2 municipality. If the governing body fails to act within ninety  
3 days following presentation of a petition to create a district,  
4 the petition shall be deemed to have been accepted by the  
5 governing body, which shall adopt a resolution and hold a  
6 public hearing pursuant to this section. The resolution shall  
7 state:

8 (1) the area to be included within a district;

9 (2) a description of the metropolitan  
10 redevelopment project for which the district is proposed for  
11 formation and to which tax increment procedures pursuant to the  
12 Metropolitan Redevelopment Tax Act are proposed to be applied;

13 (3) a general description of the tax increment  
14 procedures that will be used to finance the metropolitan  
15 redevelopment project for which a district is formed;

16 (4) a general plan for the district that is on  
17 file with the clerk that includes a map depicting the  
18 boundaries of the district;

19 (5) a notice of public hearing in conformity  
20 with the requirements of the Metropolitan Redevelopment Tax  
21 Act;

22 (6) the place where written objections to the  
23 formation of the district may be filed by the owner;

24 (7) that formation of the district may result  
25 in the use of tax increment procedures and the issuance of

1 municipal gross receipts tax increment bonds pursuant to the  
 2 Metropolitan Redevelopment Tax Act for the financing of the  
 3 metropolitan redevelopment projects; and

4 (8) whether the district will be governed by a  
 5 district board comprised of the members of the governing body,  
 6 ex officio, or comprised of five directors initially appointed  
 7 by the governing body.

8 B. The resolution shall direct that a hearing on  
 9 formation of the district be scheduled and the notice be mailed  
 10 and published as provided in the Metropolitan Redevelopment Tax  
 11 Act.

12 C. Before adopting a resolution pursuant to this  
 13 section, a general plan for the metropolitan redevelopment  
 14 project for which the formation of a district is proposed shall  
 15 be filed with the clerk of the municipality.

16 Section 46. [NEW MATERIAL] NOTICE AND PUBLIC HEARING. --

17 A. The notice of public hearing to be held  
 18 concerning the formation of a district pursuant to the  
 19 Metropolitan Redevelopment Tax Act shall be mailed by  
 20 registered or certified United States mail, postage prepaid, to  
 21 all registered voters in the proposed district at least thirty  
 22 days prior to the date of the hearing. In addition, notice  
 23 shall be published once each week for two successive weeks in a  
 24 newspaper of general circulation in the municipality in which  
 25 the proposed district lies. The last publication shall be at

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1 least three days before the date of the hearing. The notice  
2 shall comply with requirements of Subsections B and C of this  
3 section.

4 B. The municipal clerk shall execute a notice,  
5 which shall read substantially as follows:

6 "To whom it may concern:

7 The governing body of the (municipality) of \_\_\_\_\_, on  
8 (Date), adopted the attached resolution declaring its intention  
9 to form a metropolitan redevelopment district subject to gross  
10 receipts tax increment financing procedures for the purpose of  
11 financing a metropolitan redevelopment project. A hearing on  
12 formation will be held on (Date), at (Time) at (Location).".

13 C. A summary of the resolution declaring the  
14 governing body's intention to form the district shall be  
15 attached to the notice, and the municipal clerk shall cause a  
16 copy to be mailed to the registered voters in the district and  
17 to all other persons who have filed a written request for a  
18 copy of the notice within the six months preceding or at any  
19 time following the adoption of the resolution of intent to form  
20 the district. The municipal clerk shall also publish a copy of  
21 the notice and resolution summary at least twice in a newspaper  
22 of general circulation in the municipality in which the  
23 proposed district lies. The clerk shall execute an affidavit  
24 of mailing stating the date of mailing and the names and  
25 addresses of the persons to whom the notices and copies of the

1 resolutions were mailed. The clerk shall obtain an affidavit  
 2 from the newspaper in which the publication was made. The  
 3 clerk shall cause both affidavits to be placed in the official  
 4 records of the municipality. The affidavits are conclusive  
 5 evidence of the mailing and publishing of notice. Notice shall  
 6 not be held invalid for failure of delivery to the addressee.

7 Section 47. [NEW MATERIAL] ORDER FORMING DISTRICT--  
 8 ELECTION. --

9 A. The governing body shall determine during July  
 10 of a calendar year whether the district should be formed based  
 11 upon the interests, convenience or necessity of the residents  
 12 of the district and the municipality in which the proposed  
 13 district would be located. If the governing body determines  
 14 that the district should be formed, it shall adopt a resolution  
 15 ordering that the district be formed and then ordering that an  
 16 election be held on the question whether to form the district.  
 17 A resolution ordering a formation of the district shall state  
 18 that the district will be governed by a district board  
 19 consisting of members of the governing body, ex officio, or,  
 20 upon determination of the governing body, five directors  
 21 appointed by the governing body, and shall contain the names of  
 22 the five initial directors and the terms of office of each. If  
 23 the governing body appoints a district board, it shall appoint  
 24 a treasurer and a clerk from the appointed members.

25 B. The conduct of a formation election shall meet

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1 the requirements of the Metropolitan Redevelopment Tax Act.

2 Section 48. [NEW MATERIAL] NOTICE AND CONDUCT OF  
3 ELECTION. --

4 A. An election for a formation of a district  
5 pursuant to the Metropolitan Redevelopment Tax Act shall be a  
6 nonpartisan election called by posting notices in three public  
7 places within the boundaries of the district not less than  
8 twenty days before the election. Notice shall also be  
9 published in a newspaper of general circulation in the  
10 municipality, or, if there is no newspaper so circulated in the  
11 municipality, in a newspaper of general circulation in the  
12 county in which the municipality is located once a week for two  
13 consecutive weeks before the election. The notice shall state:

- 14 (1) the place of holding the election and  
15 provisions for voting by mail, if any;  
16 (2) the hours during the day, not less than  
17 six, in which the polls will be open;  
18 (3) the boundaries of the proposed district;  
19 and  
20 (4) that a general plan is on file with the  
21 municipal clerk.

22 B. The governing body shall determine the date of  
23 the election and the polling places for the election. The  
24 governing body may establish provisions for voting by mail.

25 C. Voter lists shall be used to determine the

1 registered voters in a district.

2 D. Except as otherwise provided by this section,  
3 the election shall comply with the general election laws of  
4 this state. The ballot material provided to each voter shall  
5 include:

6 (1) an impartial description of the  
7 metropolitan redevelopment project contemplated within the  
8 proposed district and a brief description of arguments for and  
9 against the formation of the district, if any; and

10 (2) the ballot, which shall pose the question  
11 to be voted upon as "metropolitan redevelopment district, yes"  
12 and "metropolitan redevelopment district, no".

13 E. The governing body may provide for the returns  
14 of the election to be made in person or by mail.

15 F. Within thirty days after an election, the  
16 governing body shall meet and canvass the returns, determining  
17 the number of votes properly cast for and against the question.  
18 At least a three-fourths' majority of the votes of registered  
19 voters in the district cast at the election shall be required  
20 for formation of the district. The canvass may be continued  
21 for an additional period not to exceed thirty days at the  
22 election of the governing body for the purpose of completing  
23 the canvass. Failure of a majority to vote in favor of the  
24 matter submitted shall not prejudice the submission of the same  
25 or similar matters at a later election.

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1           Section 49.    [NEW MATERIAL] FORMATION. --

2                   A.    If the formation of the district is approved by  
3                   at least a three-fourths' majority of the votes of registered  
4                   voters in the district cast at the election, the governing body  
5                   shall cause a copy of the resolution ordering formation of the  
6                   district to be delivered to the department and the local  
7                   government division of the department of finance and  
8                   administration.

9                   B.    Following formation of the district, the  
10                  district board shall administer in a reasonable manner the  
11                  implementation of the general plan for the metropolitan  
12                  redevelopment project of the district.

13           Section 50.   [NEW MATERIAL] APPOINTMENT OF DIRECTORS--  
14           QUALIFICATIONS--TERMS--RESUMPTION OF GOVERNANCE BY GOVERNING  
15           BODY. --

16                  A.    The governing body, at its option, may authorize  
17                  the appointment of a separate district board. In the case of  
18                  an appointed district board, three of the appointed directors  
19                  shall serve an initial term of six years. Two of the appointed  
20                  directors shall serve an initial term of four years. The  
21                  resolution forming the district shall state which directors  
22                  shall serve four-year terms and which shall serve six-year  
23                  terms. If a vacancy occurs on the district board because of  
24                  death, resignation or inability of the director to discharge  
25                  the duties of director, the governing body shall appoint a

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1 director to fill the vacancy, who shall hold office for the  
2 remainder of the unexpired term until his successor is  
3 appointed or elected.

4 B. A director may be a director of more than one  
5 district.

6 C. At the end of the appointed directors' initial  
7 term, the governing body shall resume governance of the  
8 district as its board or, at its option, shall hold an election  
9 of new directors by majority vote of the registered voters of  
10 the district.

11 Section 51. [NEW MATERIAL] POWERS OF A DISTRICT BOARD. --

12 A. In addition to the powers otherwise granted to a  
13 municipality pursuant to the Metropolitan Redevelopment Tax  
14 Act, the district board, in implementing a general plan  
15 pursuant to that act, may:

16 (1) enter into contracts and expend money for  
17 a metropolitan redevelopment project within a district in the  
18 municipality;

19 (2) enter into development agreements with  
20 municipalities, counties or other local government entities in  
21 connection with property located within the boundaries of the  
22 district;

23 (3) enter into intergovernmental agreements as  
24 provided in the Joint Powers Agreements Act for the planning,  
25 design, inspection, ownership, control, maintenance, operation

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1 or repair of infrastructure for a metropolitan redevelopment  
2 project or the provision of enhanced services by the  
3 municipality in the district and any other purpose authorized  
4 by the Metropolitan Redevelopment Tax Act;

5 (4) sell, lease or otherwise dispose of  
6 district property if the sale, lease or conveyance is not a  
7 violation of the terms of any contract or bond covenant of the  
8 municipality;

9 (5) employ staff, counsel and consultants;

10 (6) accept gifts or grants and incur and repay  
11 loans for a metropolitan redevelopment project;

12 (7) pay financial, legal and administrative  
13 costs for a metropolitan redevelopment project; and

14 (8) use public easements and rights of way in  
15 or across public property, roadways, highways, streets or other  
16 thoroughfares and other public easements and rights of way,  
17 whether in or out of the geographical limits of the district or  
18 the municipality.

19 B. Notwithstanding the provisions of the  
20 Procurement Code, or local procurement requirements that may  
21 otherwise be applicable to the municipality in which the  
22 district is located, the district board, whether appointed or  
23 composed of members of the governing body, ex officio, may  
24 enter into contracts to carry out any of the district's  
25 authorized powers with a contractor or other person or entity,

1 on such terms and with such persons as the district board  
2 determines to be appropriate.

3 Section 52. [NEW MATERIAL] RECORDS-- BOARD OF DIRECTORS--  
4 OPEN MEETINGS. --

5 A. The district shall keep the following records,  
6 which shall be open to public inspection:

- 7 (1) minutes of all meetings of the district  
8 board;
- 9 (2) all resolutions;
- 10 (3) accounts showing all money received and  
11 disbursed;
- 12 (4) the annual budget; and
- 13 (5) all other records required to be  
14 maintained by law.

15 B. The district board shall appoint a clerk and  
16 treasurer for the district.

17 Section 53. [NEW MATERIAL] OTHER DISTRICTS. -- The  
18 formation of a district pursuant to the Metropolitan  
19 Redevelopment Tax Act shall not prevent the subsequent  
20 establishment of similar districts.

21 Section 54. [NEW MATERIAL] RECORDING DOCUMENTS. -- The  
22 municipality shall file and record with the county clerk the  
23 resolution ordering formation of the district, the general plan  
24 of the district and the canvass of any general obligation bond  
25 election.

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1           Section 55.   [NEW MATERIAL] DISSOLUTION OF DISTRICT. -- A  
2           district shall be dissolved by the governing body of the  
3           municipality in which the district board lies by a resolution  
4           of the governing body upon a determination that each of the  
5           following conditions exist:

6                   A.   the metropolitan redevelopment project for which  
7           the district was formed is complete or provision has been made  
8           for metropolitan redevelopment projects to be conveyed to the  
9           municipality in which the district is located;

10                   B.   the municipality has no outstanding bond  
11           obligations issued to finance a metropolitan redevelopment  
12           project in the district; and

13                   C.   all obligations of the district pursuant to any  
14           development agreement have been satisfied.

15           Section 56.   [NEW MATERIAL] LIMITATION OF  
16           LIABILITY. -- Neither any member of a district board nor any  
17           person acting on behalf of a district, while acting within the  
18           scope of that person's authority, shall be subject to any  
19           personal liability for any action taken or omitted within that  
20           scope of authority.

21           Section 57.   [NEW MATERIAL] CUMULATIVE AUTHORITY. -- The  
22           Metropolitan Redevelopment Tax Act shall be regarded as  
23           supplemental and additional to powers conferred by other laws  
24           and shall not be regarded as in derogation of any existing  
25           powers.

1           Section 58.   [NEW MATERIAL] ALTERNATIVE METHOD OF  
2 FINANCING. --

3           A.   Effective for tax years beginning on or after  
4 January 1, 2006, the governing body may elect by ordinance to  
5 use the procedures set forth in the Metropolitan Redevelopment  
6 Tax Act for financing metropolitan redevelopment projects  
7 within districts within a municipality. Those procedures may  
8 be used in addition to, or in conjunction with, other methods  
9 provided by law for financing such projects.

10          B.   The tax increment method, for the purpose of  
11 financing metropolitan redevelopment projects, is the  
12 dedication for further use in metropolitan redevelopment  
13 projects of the increase in revenues to municipalities from the  
14 imposition of local option gross receipts taxes in districts  
15 within those municipalities and from distributions to those  
16 municipalities pursuant to Section 7-1-6.46 NMSA 1978  
17 attributable to state gross receipts taxes collected within  
18 those districts.

19           Section 59.   [NEW MATERIAL] TAX INCREMENT PROCEDURES. --

20 After the last day of the calendar year during which a  
21 municipality issues bonds for a metropolitan redevelopment  
22 project, and upon request by a municipality, the department  
23 shall certify to the municipality as a base revenue value the  
24 amount of gross receipts taxes that the department collected on  
25 behalf of the municipality pursuant to the Municipal Local

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1 Option Gross Receipts Taxes Act within a district during the  
2 calendar year preceding the issuance of bonds for the  
3 metropolitan redevelopment project and the amount distributed  
4 during the calendar year to the municipality pursuant to  
5 Section 7-1-6.46 NMSA 1978 attributable to state gross receipts  
6 taxes collected within that district. All applicable municipal  
7 gross receipts tax rates imposed pursuant to the Municipal  
8 Local Option Gross Receipts Taxes Act shall then be applied to  
9 the gross receipts that the department determines are collected  
10 in the district during the calendar year in which bonds are  
11 issued pursuant to the Metropolitan Redevelopment Tax Act, and  
12 that amount shall be added to the amount distributed to the  
13 municipality during that calendar year pursuant to Section  
14 7-1-6.46 NMSA 1978, which is attributable to gross receipts  
15 collected within the same district. The amount by which that  
16 sum exceeds the base revenue value shall be credited to the  
17 district and deposited in the district redevelopment fund.

18 Section 60. [NEW MATERIAL] DISTRICT REDEVELOPMENT

19 FUND. --The "district redevelopment fund" is created in the  
20 state treasury. The fund shall consist of money deposited into  
21 the fund pursuant to the Metropolitan Redevelopment Tax Act.  
22 An amount equal to the amount of money in the fund credited to  
23 a district pursuant to the Metropolitan Redevelopment Tax Act  
24 shall be appropriated to the municipality in which the district  
25 lies for the payment of the principal of, premium, if any, and

1 interest on municipal gross receipts tax increment bonds issued  
 2 by the municipality for the financing of a metropolitan  
 3 redevelopment project in that district. Disbursements from the  
 4 fund shall be by warrant of the secretary of finance and  
 5 administration upon vouchers signed by a director serving on  
 6 the district board of that district. Money in the fund shall  
 7 not revert to the general fund at the end of a fiscal year.

8 Section 61. [NEW MATERIAL] MUNICIPAL GROSS RECEIPTS TAX  
 9 INCREMENT BONDS--AUTHORITY TO ISSUE--PLEDGE OF REVENUES. --

10 A. For the purpose of financing a metropolitan  
 11 redevelopment project, in whole or in part, for a district  
 12 within a municipality, that municipality may issue bonds, to be  
 13 known as "municipal gross receipts tax increment bonds", that  
 14 are payable from and secured by gross receipts taxes credited  
 15 to a district within that municipality and deposited in the  
 16 district redevelopment fund pursuant to the Metropolitan  
 17 Redevelopment Tax Act. Those bonds shall be sold to the New  
 18 Mexico finance authority. The principal of, premium, if any,  
 19 and interest on the bonds shall be payable from and secured by  
 20 a pledge of those revenues, and the municipality shall  
 21 irrevocably pledge all or part of those revenues to the payment  
 22 of the bonds. The revenues deposited in the district  
 23 redevelopment fund or the designated part thereof may be used  
 24 only for the payment of the principal of, premium, if any, and  
 25 interest on the bonds, and a holder of the bonds shall have a

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1     lien against the revenues deposited in the district  
2     redevelopment fund or the designated part thereof for the  
3     payment of the principal of, premium, if any, and interest on  
4     such bonds. If the issuance of bonds pursuant to the  
5     Metropolitan Redevelopment Tax Act impairs the ability of a  
6     municipality to meet its principal or interest payment  
7     obligations for revenue bonds outstanding prior to July 1, 2005  
8     that are secured by the pledge of all or part of the  
9     municipality's revenue from the distribution made to the  
10    municipality pursuant to Section 7-1-6.4 NMSA 1978, the amount  
11    distributed to the municipality pursuant to that section shall  
12    be increased by an amount sufficient to meet any required  
13    payment.

14            B. Bonds issued pursuant to this section shall not  
15    constitute an indebtedness within the meaning of any  
16    constitutional or statutory debt limitation or restriction,  
17    shall not be general obligations of the municipality, shall be  
18    collectible only from the proper pledged revenues and shall not  
19    be subject to the provisions of any other law or charter  
20    relating to the authorization, issuance or sale of tax  
21    increment bonds or tax increment bond anticipation notes.  
22    Bonds issued pursuant to the Metropolitan Redevelopment Tax Act  
23    are declared to be issued for an essential public and  
24    governmental purpose and, together with interest thereon, shall  
25    be exempted from all taxes by the state.

1           C. The bonds shall be authorized by an ordinance of  
2 the municipality shall be in such denominations, bear such date  
3 and mature, at a time not exceeding twenty years from their  
4 date, bear interest at a rate or have appreciated principal  
5 value not exceeding the maximum net effective interest rate  
6 permitted by the Public Securities Act and be in such form,  
7 carry registration privileges, be executed in such manner, be  
8 payable in such place within or without the state, be payable  
9 at intervals or at maturity and be subject to such terms of  
10 redemption as the authorizing ordinance or supplemental  
11 ordinance or supplemental resolution of the municipality may  
12 provide.

13           D. The bonds shall be sold to the New Mexico  
14 finance authority in one or more series at, below or above par,  
15 in a manner and for a price determined by the governing body in  
16 its discretion; provided that the price at which the bonds are  
17 sold shall not result in a net effective interest rate that  
18 exceeds the maximum permitted by the Public Securities Act. As  
19 an incidental expense of a metropolitan redevelopment project  
20 or portion of that project financed with the bonds, the  
21 municipality may employ financial and legal consultants with  
22 regard to financing the project.

23           E. In case any of the public officials of the  
24 municipality whose signatures appear on any bonds issued  
25 pursuant to the Metropolitan Redevelopment Tax Act shall cease

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1 to be public officials before the delivery of the bonds or  
2 notes, the signatures shall be valid and sufficient for all  
3 purposes, the same as if the officials had remained in office  
4 until delivery. Any provision of law to the contrary  
5 notwithstanding, any bonds issued pursuant to the Metropolitan  
6 Redevelopment Tax Act shall be fully negotiable.

7 F. In any suit, action or proceeding involving the  
8 validity or enforceability of any bond issued pursuant to the  
9 Metropolitan Redevelopment Tax Act, any bond reciting in  
10 substance that it has been issued by the municipality in  
11 connection with a metropolitan redevelopment project shall be  
12 conclusively deemed to have been issued for that purpose.

13 G. The proceedings under which bonds are authorized  
14 to be issued and any mortgage, deed of trust, trust indenture  
15 or other lien or security device on real and personal property  
16 given to secure the lien or security device may contain  
17 provisions customarily contained in instruments securing bonds  
18 and notes and constituting a covenant with the bondholders.

19 H. The municipality shall have the power to issue  
20 renewal notes, to issue bonds and, whenever it deems refunding  
21 expedient, to refund any bonds by the issuance of new bonds,  
22 whether the bonds to be refunded have or have not matured, and  
23 to issue bonds partly to refund bonds then outstanding and  
24 partly for other purposes in connection with financing  
25 metropolitan redevelopment projects, in whole or in part.

1 Refunding bonds issued pursuant to the Metropolitan  
2 Redevelopment Tax Act to refund outstanding tax increment bonds  
3 shall be payable from gross receipts tax revenues, out of which  
4 the bonds to be refunded thereby are payable from other  
5 lawfully available revenues.

6 I. The proceeds from the sale of bonds issued  
7 pursuant to the Metropolitan Redevelopment Tax Act shall be  
8 applied only for the purpose for which the bonds were issued  
9 and if, for any reason, any portion of the proceeds are not  
10 needed for the purpose for which the bonds were issued, the  
11 unneeded portion of the proceeds shall be applied to the  
12 payment of the principal or the interest on the bonds.

13 J. The cost of financing a metropolitan  
14 redevelopment project includes the actual cost of acquiring a  
15 site and the cost of the construction of any part of the  
16 metropolitan redevelopment project, including architects' and  
17 engineers' fees, the purchase price of any part of that project  
18 that may be acquired by purchase and all expenses in connection  
19 with the authorization, sale and issuance of the bonds to  
20 finance the acquisition, and any related costs incurred by the  
21 municipality.

22 Section 62. REPEAL. -- Sections 3-60A-29, 3-60A-30,  
23 3-60A-32, 3-60A-33, 3-60A-38 and 3-60A-41 NMSA 1978 (being Laws  
24 1979, Chapter 391, Sections 29, 30, 32, 33, 38 and 41) are  
25 repealed.

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